CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Audit Committee of the Board of Governors held on Wednesday 20 March 2024 at 5pm via Microsoft Teams

_____

PRESENT

Mr John Bradford (Chair)
Mr Trevor Dutton
Mrs Amanda Tomlinson
Ms Alison Shannon
Ms Dionne Barrett (from 5.25pm)

IN ATTENDANCE

Mrs Alison Buick (Head of Governance)
Mr Paul Davies (Director of Finance
Mr Peter Merry (Deputy Chief Executive)
Ms Clare Parkes (TIAA - Internal Auditors)
Mr Darren Webley (Information Technologies Manager) - part

16/24 MEETING WITH AUDITORS WITHOUT MANAGERS PRESENT
Governors held a brief meeting with TIAA, who had no concerns to raise.

The Chair commented on work in relation to cyber security. It was confirmed that the audit work was complete and currently being reviewed prior to the report being issued to the college. The Information Technologies Manager hade been invited to attend the meeting to present an update on audit actions and cyber security controls

The Deputy Chief Executive and Director of Finance joined the meeting.

17/24 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST (ITEM 1)
There were no apologies for absence.

There were no declarations of interest.

18/24 MINUTES OF THE PREVIOUS MEETING (ITEM 2)
Resolved:
That the minutes of the meeting held on 6 December 2023 be approved as a correct record.

19/24 MATTERS ARISING (ITEM 2)
An IT update would be given later in the agenda.

20/24 CORRESPONDENCE (ITEM 3)
No correspondence had been circulated prior to this meeting. However, there were two verbal updates from information published earlier in the day:

    a. The ESFA had published the College Financial Handbook, compliance with which would be mandatory when it was effective from 1 August 2024. Further information would be provided to Governors in due course. There were sections in this relating to audit committees, internal controls and risk management.

b. A letter had been received from ESFA confirming that the long standing Financial Notice to Improve had been lifted and that no further formal monitoring was required. Staff and Governors had been informed.

21/24 **COMMITTEE DEVELOPMENT AND UPDATE SESSION – IT (ITEM 4)**
The Information Technologies Manager attended to give an update on management of cyber security risks and progress against previously agreed audit recommendations.

The following were noted:
- o There was now improved sharing of information and identification of emerging risks.
- o The Cyber Essentials accreditation was being renewed. The main change this year was the introduction of multi factor authentication for students.
- o Geo-fencing had been introduced so that college systems could only be accessed from UK locations. This reduced risks of cyber incidents from other countries.
- o Email controls had been strengthened, with stricter protection levels, higher sensitivity to spam and improved notification of external email. Spam management had increased. Impersonation and spoofing detection was also in place to flag potential bogus emails purporting to be from senior college staff.

Questions and comments were invited.

A Governor asked about staff refresher training and it was confirmed that there was mandatory training for cyber security. Additional system testing was also being set up. Alerts for specific issues were also sent to all staff as required. Staff were chased to complete mandatory training.

A Governor asked whether there should also be Governor training, as they had college email addresses. This would be considered.

There was a general discussion about potential weak points in systems. It was acknowledged that staff accessing inappropriate attachments to emails was a particular concern.

A Governor asked how the college identified cyber attacks. The IT Manager explained ways in which suspicious emails were captured and attempts to breach firewalls were identified.

(Dionne Barrett arrived at 5.25pm)

It was noted that many of the IT security controls in place were part of the education licensing arrangements with Microsoft and negotiated with Jisc at no extra cost. It was also possible to buy extra licensing in other areas if needed. The IT Manager was confident that the controls in place were appropriate for the level of risk and volume of email traffic.

A Governor asked how the college would deal with users that had issues. The IT Manager confirmed that it was possible to identify such users, mark them as higher risk and increase their access controls if necessary.

The Chair commented that the update had been very helpful and that it was useful to see the work that was being done. Questions were asked about the IT policy and

training for Governors. It was confirmed that IT policies included cyber security. The Head of Governance would discuss Governor training with the Principal. <u>Action</u>: Principal.

The IT Manager commented on progress against previously agreed audit recommendations:
- Port security was being rolled out.
- College applications had been configured to stop data leakage to non-approved applications.
- The IT Disaster Recovery Plan and Business Continuity Plan had been reviewed and were available on the sharepoint crisis management site.
- The IT audit for 2023/24 was in progress and would be reported to the next meeting.

22/24 INTERNAL AUDIT REPORTS (ITEM 5)

Clare Parkes, Manager at TIAA, presented the reports that had been finalised. Governors noted the following:

<u>Key Financial Controls – Payments and Procurement</u>
The overall conclusion gave reasonable assurance over the design and application of the controls to manage risks in this area.

There were two priority 2 (important) recommendations and two priority 3 (routine) recommendations, all of which had been agreed with management. The priority 2 recommendations were explained to the Committee. The priority 3 recommendations were housekeeping matters.

A Governor asked about the systems in place for checking use of credit cards. The Deputy Chief Executive confirmed that there was only a small number of cards with low levels of spend. Controls were in place to manage them.

<u>Safeguarding</u>
The overall conclusion gave reasonable assurance over the design and application of the controls to manage risks in this area.

There were three priority 2 (important) recommendations and five priority 3 (routine) recommendations, all of which had been agreed with management. All expected safeguarding policies were in place.

There was a discussion about the priority 2 recommendations. In relation to the Single Central Record (SCR), testing had shown that all reference and qualification details were held but not fully recorded on the SCR itself. Issues with a missing Governor DBS had been resolved. This related to a certificate that had been lost in the post and re-issued. The check was now complete and evidence was in place. The final point concerned reports of training. There had been some issues with the system that were now resolved.

It was agreed that the Safeguarding Link Governor would review the Single Central Record. <u>Action</u>: Safeguarding Link Governor.

The Committee noted the reports.

23/24   FUNDING AUDIT UPDATE (ITEM 6)

The Deputy Chief Executive gave a verbal update as the audit was in progress.

The scope of the audit was to sample test transactions relating to young people, adults, apprentices and loan funded students. Data reports were being use to select the samples.

So far, the controls element of the review had been completed and early feedback was that there were no identified issues. It was too early to confirm if there were any funding issues from the substantive testing.

The external auditors had been notified of the funding audit, as the data being reviewed related to 2022/23. It was hoped that there would not be a need for any material adjustments to the figures.

Planning for the internal audit of learner numbers for next year was to be discussed with TIAA.

The Chair asked how many other colleges were having funding audits. This was not clear but could be up to 10% of all colleges.

The Committee noted the update

24/24   RISK MANAGEMENT UPDATE (ITEM 7)

It was confirmed that the Risk Management policy had been reviewed. The current risk management methodology would continue for this academic year but may be reviewed thereafter.

There were 46 risks on the latest version of the register, which had increased by two since the last Committee update. The split of risks between red, amber and green, and the movements since the last report, were noted.

There were two new risks, relating to:
- failure to recruit sufficient Maths teachers to meet new funding requirements and non-compliance with condition of funding; and
- financial failure at BCIMO leading to closure of the facilities and the need for TRIA to find alternative premises. These were both amber rated risks.

It was noted that recruitment for Maths teachers would affect all colleges.

WMCA support had been confirmed for the BCIMO site in Dudley for 12 months but future funding needed to be kept under review. If necessary, it was expected that the college operations could be moved to its site in Aston.

There was a discussion about the scoring of risks and whether the balance was right. A Governor commented that the scoring for some risks within the control of the college scored more highly than others that were not. It was agreed that the impact of a risk materialising was the key issue. It was also agreed that the Deputy Chief Executive would meet Dionne Barrett to go through the scoring methodology in more detail. Action: Deputy Chief Executive and Dionne Barrett.

The Director of Finance explained the heat map and risk appetite. Of particular note were the partnership risks. A new partnership agreement was being drawn up with NIS. This had been discussed with WMCA at a recent meeting. It was hoped to secure a multi-year funding commitment.

A Governor asked about risks of losing key staff, especially Maths teachers, who were in high demand. It was agreed that this was a risk but the college was committed to creating a working environment that encouraged staff to stay. Staff turnover had declined. The staff survey had been completed and would be presented to the next Board meeting.

A Governor asked why curriculum planning had a high risk score. This was due to the impact being potentially very high as ensuring the right curriculum offer was fundamental to the college. It was suggested that where changes were shown to risk ratings that these include whether the change related to impact or likelihood changes. Management confirmed that most changes were due to likelihood factors. There was a suggestion that there should be a deep dive into curriculum planning to identify where the main risks were. This would be considered. <u>Action</u>: Deputy Chief Executive and Director of Finance.

25/24   ANY OTHER BUSINESS
None.

26/24 CONFIDENTIALITY
There were no items to be withheld from public access.

27/24   DATE AND TIME OF NEXT MEETING
Wednesday 26 June 2024 at 5pm.