

GOVERNING BODY OF GODALMING COLLEGE

**Minutes of the Audit Committee
Monday, 14th March 2022 at 4.30pm**

Present:

Hamish Cameron Blackie (HCB)	Geoff Howes, Chair (GH)	
Helen Warren (HW) (online)	Julie Wagerfield (JW)	

In attendance:

Sarah Baudains, Finance Director (SB)	Ken Kehoe, Clerk (KK)
Emma Young, Accounting Officer/Principal (ELY)	Graham Gillespie (GG), Wylie Bisset
Joe Yeadon, IT Director(JY)	

		Action
1	<p>Cyber Security Update</p> <p>JY briefed the committee on the threats faced by the College’s IT system and set out the counter-measures that the College had already taken, including its membership of JISC. He highlighted the disruption to the College if it was subject to a successful, hostile attack, but informed the Committee that the College was insured against the financial costs. JY noted that in a test earlier in the year, an external adviser had not been able to gain access to the College’s systems but that they had made a few recommendations which the College had acted upon. JY briefed that a developing issue was whether the College should be able to secure and delete the data on any staff personal device accessing the College’s IT system, in order to meet Cyber Essentials requirements. This had implications for staff as many accessed emails or work from their personal devices. It would be discussed with staff in July. An alternative approach was to allow only College devices to access the College’s IT system.</p> <p>In discussion, Trustees made the following points:</p> <ul style="list-style-type: none"> • It was important that the College ensured that it was compliant with the terms of its insurance policy. Staff assured the Committee that this had been confirmed and that it would be looked at again when the policy was due for renewal. • If fake phishing exercises were carried out, they worked best if the emails were sent to random staff, rather than all staff at the same time, and any staff member responding should be offered training rather than being subject to disciplinary action (unless there were repeated breaches). • If the College had a system whereby it could secure and wipe personal devices accessing the IT system, this would also have implications for Trustees. Trustees might not be willing to have College email accounts if that meant their personal devices could be secured and wiped. • Does the College have a recovery plan if the IT goes down? Staff assured the Committee that there was a plan and that it would be tested in November. 	

	<ul style="list-style-type: none"> • ELY briefed that, given the threat, consideration was being given to establishing a dedicated cyber-security role within the IT Department. • The College's investment in cyber-security should be subject to a cost benefit analysis, with the costs of mitigation set against the costs of recovery. • The Cybersecurity risk on the risk register was reviewed in light of the presentation. It was agreed that the risk scoring was appropriate. ELY agreed to add the JISC Disaster Recovery workshop to test our plans and mitigations to the 'actions to further minimize risk' section. <p>The Committee agreed that a cyber-security update should be added to the agenda for the November meeting, when the decision about personal devices and the results of the recovery exercise would be known.</p> <p>Action: Clerk to add cyber-security update to November meeting agenda.</p>	Clerk
2	Welcome and Apologies for Absence	
	GH welcomed JW to her first meeting of the Audit Committee. Apologies for absence were received from Kate Hart, External Consultant and Shirley Price.	
3	Declarations of Interest	
	There were no declarations of interest for any items on the agenda.	
4	Minutes of the meeting held on Monday, 29th November 2021	
	The minutes of the last meeting held on Monday, 29 th November 2021 were approved by the Committee as an accurate record.	
5	Matters Arising	
	The representative of the external auditor had sent the regulations regarding the disclosure of staff trustee salaries to ELY and SB. They were considering and would come forward with advice before the next Annual Report.	
6	Internal Audit Reports	
	<p>GG briefed the Committee on the Internal Audits that his company had carried out. The Committee had the Reports on Budgetary and Financial Reporting and on HR. The reports on Fraud, Theft and Bribery and the Follow Up Review would be available by the time of the Committee's next meeting.</p> <p>GG explained that in all the audits they had completed, their judgement was Strong Assurance. Regarding the two areas where Reports had been completed, there had been two recommendations for low-level improvements for Budgetary and Financial reporting, and one low level recommendation on HR. SB said that she was considering and would address the Budgetary and Financial Reporting recommendations. ELY noted that the HR recommendation about improved reporting on HR had already been actioned through the work of the Governance and HR Committee, which had agreed a set of reporting metrics.</p> <p>The Committee welcomed the assurances provided and looked forward to receiving the reports on Fraud, Theft, and Bribery and the Follow Up Review, together with the audit programme, at their next meeting.</p>	
7	Appointment of External Auditors: Recommendation to Members	
	SB briefed the Committee on the tendering exercise that she had recently carried out, together with the Chair of Audit, for the external auditor role. The College had used the CPC framework which had 11 audit firms, including RSM, the current auditor; 3 firms had responded to the invitation to tender, and all had been interviewed. Based on value-for-money, SB was recommending that the Audit Committee propose to Members that	

	<p>Buzzacott be appointed as the external auditors at a cost of £22k per annum. They would replace RSM, the external auditors for at least the last 10 years. The new contract would start on 1st May and would run for 3 years, with a possible extension of 2 years.</p> <p>Trustees asked whether RSM were likely to offer to lower their price when they were told that they had not secured the new contract; SB said that this was not allowed under the rules of the framework.</p> <p>The Committee agreed to recommend to Members that Buzzacott should be appointed as external auditors for a 3-year period from 1 May 2022, at a price of £22k per annum, with a possible extension of two years.</p> <p>Action: SB and Clerk to submit a Written Resolution to Members to appoint Buzzacott.</p>	<p>SB Clerk</p>
8	Risk Register: In-Depth Reviews	
	<p>ELY set out the proposal for how in-depth reviews of the most significant risks could be carried out. The Committee would, as part of the review, consider an update or position paper, and the relevant member of staff and possibly other Trustees would attend. The Committee would also be sent links to other relevant documents or good practice guides. The outcome of the reviews would be to consider whether the weightings on the Risk Register were correct and whether the mitigation actions should be added to. The reviews would be carried out at the Committee's March and June meetings.</p> <p>The Committee welcomed the proposal, noting that it was important that other Committees were aware of what was being done. The cyber-security paper and presentation earlier in the meeting had been an excellent example of the approach that should be adopted. The Audit Committee would report to the Board through its minutes and through any revisions to the Risk Register which ELY could highlight.</p> <p>The Committee agreed that it should carry out its first in-depth review at its June meeting and this should focus on the mental ill health.</p> <p>Action: Clerk to add Mental Ill Health Risk review to June agenda.</p> <p>The Committee also agreed with the proposal from KH to make the definitions of financial risk consistent, with the cut-ff point between low and medium risk being £20K.</p> <p>Action: ELY to amend the Risk Register.</p>	<p>Clerk</p> <p>ELY</p>
9	Whistleblowing	
	There have been no reports received.	
10	Any Other Business	
	<p>GH briefed the Committee on his plans to access the training that was available as part of the contract with the external auditors.</p> <p>Action: SB would circulate the webinars and how to access them.</p> <p>SB noted that the new External Auditors would attend in June to brief the Committee on the Audit Plan.</p> <p>The Committee also discussed the advantages and disadvantages of hybrid meetings.</p>	<p>SB</p>
13	Dates of future meetings	

	Monday, 27 th June 2022	
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The meeting closed at 6.08pm.

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