

CARDINAL NEWMAN COLLEGE

BOARD OF GOVERNORS – AUDIT COMMITTEE

A meeting of the above Committee was held at **4.00 p.m.** on **Wednesday 26 May 2021** on Microsoft Teams.

Members present:

Peter Halpin (F), Chair
Charu Ainscough
Bernadette Davies (F)
Peter Towers (F)

Officers in attendance

Anthony Dickinson, Network Manager
Bob Deed, Clerk
Steve Gray, IT and Development Manager
Claire Riding, College Accountant

MINUTES

1. Opening prayer

The meeting commenced with a prayer.

2. Welcome, introductions and apologies

Apologies were recorded from Bob Eastwood.

3. Declarations of interest

There were no declarations of interest.

4. Minutes of the meeting on Wednesday 3 March 2021

The minutes of the meeting of the Committee held on Wednesday 3 March 2021 were confirmed as a true record.

5. Matters arising from the minutes

There were no matters arising not covered elsewhere on the agenda.

6. Update on cyber-risks

The Network Manager described the phishing attack which happened in the week of the last Audit Committee. He highlighted that the College took immediate action and subsequently mitigations were put in place. The IT and Development Manager said that the phishing attack was unusual as it involved the scammers targeting a small group of students and setting-up a domain and servers which allowed the email to evade the College's defences.

The Chair asked about system defences against similar phishing attacks. The Network Manager said that as soon as possible afterwards the College:

- Added an external email notification to highlight emails originating outside of College.
- Blocked around 25 domains that are similar to the ones we use.

The Network Manager outlined how the College later suffered a Distributed Denial of Service Attack being attacked from multiple sources. He said that the College was concerned that DDOS attack might be a diversionary tactic. He said that the College and JISC responded but they were met by a continued and evolving attack. This happened around the time of Microsoft issuing a major security patch and there were other attacks on universities, colleges, and schools.

The Network Manager showed how the College was using a Web Application Firewall with Volumetric Protection to deal with future DDOS. This would specifically provide a cloud based WAF for CEDAR and online application systems.

The Network Manager also set out how the new Forcepoint Firewall will replace Sophos following extensive due diligence and a review of independent ratings. He said that there were plans to move to a new web content filter will provide further protection.

The Network Manager updated the Committee on the College successful accreditation by Cyber Essentials. The College had to make some further improvements. He also said that the College was planning to move onto Cyber Essentials Plus.

The Chair asked about whether Cyber Essentials Plus was primarily independent verification. The IT and Development Manager said that no accreditation provided a guarantee, but it promoted a set of measures required to reduce the level of risk.

The Chair asked about earlier actions: in particular, the application level security review of Cedar and the introduction of an applications repository. The IT and Development Manager said that the application level security review was planned for July and other work was progressing. The Network Manager said that the approved applications repository was almost ready for roll-out as permissions had been centralised.

A governor asked about how the College had dealt with the students involved. The Clerk noted that after a full investigation, severe disciplinary action had been taken.

[The IT and Development Manager and the Networks Manager left the meeting]

7. Progress report on audit recommendations

The Clerk as Vice Principal Finance & Resources updated the Committee on the implementation of the recommendations in the Risk Register assurance review. These were all now shown as being implemented. He noted that the recommendation relating to linking strategic objectives to risk management was addressed in the later agenda item on the risk register. He also said that work continued improving the risk descriptors.

8. External audit planning memorandum

The external audit partner introduced the external audit planning memorandum and his team. He said that the audit strategy memorandum highlighted the two elements of their work: the financial statements audit and the regularity audit. He noted that last year's audit went smoothly, and the College audit was now assessed as low-risk.

The Chair asked about the implications of the pandemic. The external audit partner noted the additional funding related to Covid and the impact on systems. He noted that the pandemic had generally had a beneficial financial impact on sixth form colleges so there were no going concern issues.

The external audit partner outlined the changes around auditing income and reliance on funding statements. He noted that the new requirements were still in flux with the audit forms awaiting the output of a working party.

The Clerk as Vice Principal Finance & Resources said that the funding auditing involved some complexity as 16-18 funding was based on students numbers in the previous year and even factors determined by data in even earlier years. He noted that before the regularity audit was introduced, there was a funding audit but at that time 16-18 funding was based on delivery during the year with in-year clawback.

The Committee resolved to recommend the external audit planning memorandum and the attached letter from the external auditors, including the fees, to the Governing Body.

9. Update on the assurance plan

The Clerk introduced the update on the assurance plan. He reminded the Committee that the table was an extract from the risk register showing the gross and net risk scores with the risks ordered to highlight where reliance was placed most heavily on existing controls

The Chair noted that the top risks were largely Networks and Safeguarding. He noted that the plan could be revisited.

A governor raised the issue of the pandemic and the implications for students, their academic achievement, mental health and welfare. The Chair observed that the student welfare issues would probably be covered through the Safeguarding assurance review. He noted that the issue of academic progress would be unlikely to fall within the review's remit although it could be addressed by the QCS Committee.

A governor noted the additional staffing and resources for pastoral matters during the year with an additional Assistant Principal and the work of the counselling and welfare teams.

The Chair queried whether the sources of assurance fully reflected mechanisms in place including the work of Link Governors.

The Chair asked the external audit partner for his views of the assurance plan including the sources of assurance. The external audit partner said that the latest Audit Code of Practice including wording favouring the use of internal audit services and their role in assisting audit committees to ensure requirements have been effectively discharged. He said that three reviews each year might be helpful.

The Clerk said that while the Network Security review had not taken place, the last 12 months had seen the Risk Register assurance review by John Boyle, the Sport England review of governance by Sport England and the Cyber Essentials certification of cyber-security. The Cedar application review and Cyber Essentials Plus exercise were imminent. He said that the assurance reviews by specialists were generating a much greater volume of recommendations, which were generally more useful, than internal audits by generalists. The Clerk suggested that the ESFA was responding to colleges which did not take board assurance seriously.

The Clerk agreed with the Chair that the sources of assurance column needed further attention and said that he would raise this with SLT and risk owners.

The Committee resolved to recommend to the Governing Body the following assurance work:

- **The Safeguarding assurance review in Spring 2022, with draft terms of reference being brought to the next Audit Committee meeting.**
- **The Cyber Essentials Plus work over the summer.**
- **A revisit of the plans for external assurance reviews during 2021/22.**

10. Risk register – opportunity to feedback on risks

The Clerk noted that there had not been any major changes since the last Audit Committee meeting.

The Chair said that he would like to see the mapping progressed with a top-down approach from the strategic objectives with risks. He said that he would like the risk register be presented in a single format under strategic objectives.

A governor said that the governors were relying on the confirmation that controls were operating. She said that the controls did not reflect the work progressed such as that outlined in the Network Security presentation. She said that she would have expected more change in the register between each termly Audit Committee meeting.

The Clerk said that there had been changes in scoring even if this only meant that one risk was no longer considered a top risk. He also noted scores had been revised after the Denial of Service attack. He said that in 2020 there had been substantial changes last year with the new governance risks and the pandemic risks as well as the changes over the summer including the new risks suggested by the Risk Register assurance review.

A governor suggested that the governors were overly reliant on managers saying controls were in place. The Chair said that the governors were able to and did commission external assurance reviews where there was high reliance on controls and/or a lack of recent sources of assurance.

The Chair said that there was scope for more detail on evidential elements of the risk register, notably the sources of assurance column.

A governor said that the minutes of Committees were circulated and provided assurance for governors.

The Clerk as Vice Principal Finance & Resources suggested that he meet the Chair to discuss how the risk register could be presented differently.

The Clerk suggested that risk presentations should be revised in some format. The Chair said that staff presenting to committees on their risks was a useful exercise when it was last undertaken.

The Committee agreed that the Chair and Clerk should discuss further risk presentations for Committees and risk register formats.

11. Determination of any items to be treated as Confidential

There were no items which required to be treated as confidential in the minutes.

12. Date and time of the next meeting

The next ordinary meeting of the Committee is scheduled to be held at 4.00 p.m. on Wednesday 10 November 2021.