

AUDIT COMMITTEE

Minutes of the meeting via telecon 16 March 2020 at 16:45

Present

Julian Young (JY), Chair	External Governor
Andrew Furse (AF)	External Governor
Neil Wilson (NW)	External Governor

In attendance

Patrick Clarke (PC)	Internal Auditor, Icca-ETS
Jayne Davis (JD)	Deputy Principal
Laurel Penrose (LP)	Principal & CEO
Anne Roberts (AR)	Head of Governance

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting which was being held by telecon due to the coronavirus situation. Welcome was given to Neil Wilson who had joined the Committee. Apologies were given from Margaret Playle, Director of Finance & Corporate Services.

2. Declarations of Interest

None given.

3. Confidentiality of Items

Item 5 [and the reports for items 5,6 & 8] were deemed confidential.

4. Minutes of the meeting held on 18 November 2019 and actions arising

The minutes of the meeting held on 18 November 2019 were approved and would be signed by the Chair as a correct record following this meeting.

All actions had been completed, other than:

- the action under minute 8 in relation to the asset register. This was on the Internal Audit Action Tracker and would be reviewed there.
- the action under minute 10 in relation to a revised Risk Management Policy. The Committee asked that this be circulated in advance of the next meeting if possible. NW offered to review the policy in view of his background on risk.

ACTION: JD to circulate

5. Internal Audit

(i) Payroll

The Committee considered the final report on the audit of Payroll and noted the overall assurance opinion was judged as 'Reasonable'. The internal audit

provided management and the Committee with substantial assurance and there were no recommendations in relation to design or application/compliance. The Committee noted that this was the highest rating that could be given. PC reported that this type of review done at other colleges normally showed some minor recommendations and the College was to be commended on this excellent outcome.

AF asked about the sample size and PC reported that a sample of 20 was done over each area and that was large enough for the audit. The Committee expressed their congratulations to the staff involved in this audit.

(ii) **English & Maths Strategy**

The Committee considered the final report on the audit of the English and Maths Strategy and noted the overall assurance opinion was judged as 'Limited'. The design was assessed as weak but the application /compliance was adequate. There were two high recommendations and two medium recommendations. PC reported that a key issue was around the strategy and its impact on achievement rates. He highlighted the main areas for improvement on each of the four recommendations which related to timetabling, monitoring attendance and progression, intervention & support, and strategy.

The Chair asked for clarification in relation to recommendations relating to Ofsted inspection areas and those identified from internal audit experience. PC reported that the areas were more specific to the latter rather than Ofsted.

The Committee questioned whether staff had the tools to implement these recommendations. LP commented that the outcome of the report reinforced the areas for improvement identified internally and the new Assistant Principal could now drive this forward via a targeted action plan.

The Committee noted that this area had been flagged as a concern before and asked that, in view of it being such a high priority area for the College, that regular monitoring and review took place with a progress report to the Board.

ACTION: AR

It was also agreed that the report should be sent to the Chair of the Curriculum & Quality Working Group for the Group to review. **ACTION AR.**

Thanks were given to PC for the recommendations and to LP for negotiating the action plan and dates. It was also noted that the coronavirus situation might have an impact on the deadlines set out in the report.

(iii) **Student Journey: Enquiry to Enrolment**

The Committee considered the final report on the audit of Student Journey: Enquire to Enrolment and noted that the overall assurance opinion was judged as 'Limited'. Both the design and application/compliance were assessed as weak. There were seven high and ten medium recommendations. The

Committee noted the significant number of recommendations and asked PC to go through the action plan in some detail, particularly those in the high category.

The Committee discussed the Action Plan and the high priority recommendations, namely reduction in market share, overarching recruitment strategy, non-attendance/withdrawal reasons, entry criteria, timetables, 42-day retention and study programmes. It was noted that the College had been recruiting fewer students which would result in lagged funding and that some programmes had many more teaching hours than funded which indicated inefficient curriculum planning.

The Committee asked what outcomes had been identified from the recent ESFA audit. LP reported that the ESFA focused on where insufficient hours were carried out. The College was in the opposite position and had begun to reduce its hours for teaching programmes but there was more work to be done. An action plan had been drawn up. She confirmed that timetabling had been an issue as rooms had not been allocated on the previous curriculum timetable. She reported that she believed the 42-day retention was a cultural issue that needed to be addressed. More tracking could be done to keep students engaged over the summer.

The Committee discussed how to improve market share and expressed concern that whilst the Board had been challenging the curriculum effectiveness, this report showed that more needed to be done. LP agreed that curriculum development took time and the technological support had been slow, but the Head of MIS had introduced new timetabling software which should improve timetabling this year. The Curriculum & Quality Working Group had invited the Assistant Principal responsible for this area to attend its June meeting.

The Committee asked what monitoring was being done by the senior team and whether resources were adequate. LP confirmed that the Assistant Principals were attending Senior Management Team meetings bi-monthly to update on their actions plans. The Assistant Principals' objectives had also been discussed at the Board Strategy day on 28th February 2020. She reported that one of the Assistant Principals was driving this area which would provide a uniform approach and that she and the Deputy Principal were monitoring this closely. She believed there was now more capacity in the new structure to tackle the areas for improvement. PC also confirmed that the recommendations would be monitored by internal audit in their follow up of previous internal recommendations report in term 3 and by the College's internal audit action tracker.

In view of the Student enquiry and enrolment being such a high priority area and one which affected income, it was agreed that a report on progress should be presented to the Board in July. **ACTION: LP/JD**

It was also agreed that follow up reviews on this and the English and Maths audit should have individual pieces of work done in 2020/21 to keep these under review. **ACTION: LP/PC**

The Committee thanked PC for his comprehensive report.

(iv) Internal Audit Revised Schedule 2019/20

The Committee considered the revised schedule of audits and noted that the final two audit reports (Apprenticeships and Financial Planning & Management) would need to be discussed at the Audit Committee's autumn term meeting. PC confirmed that if there were any immediate findings in June, a verbal report would be given.

The Chair thanked PC for the reports and the Committee agreed to the revised schedule, noting that a verbal response would be made in advance if required.

(v) Internal Audit Action Tracker

The internal audit action tracker was presented but it was very difficult to read on screen. AR explained that the tracker had picked up all the outstanding actions from the audits done in 2019/20 plus three from previous years (one of which related to risk management). Any actions completed since July 2019 were still on the list, but these would be removed after this meeting.

The Committee asked that the risk management action be incorporated into the more recent action identified by the external auditor. It asked that the tracker be re-ordered by risk level to retain open actions at the top, for which forecast closure dates were required by the senior team. **ACTION: AR/LP**

It was agreed to ask AR to circulate the list by email and for all members to review and provide comments by 23 March 2020. **ACTION: All**

6. Strategic Risk Register

The Committee considered the strategic risk register with the top 12 risks identified. JD highlighted the risk areas that were outstanding. These included the emergency response plan (e.g. bomb threat, lock down exercise) but assured the Committee that the College's business continuity plan was up to date and being used to manage the coronavirus situation., as outlined on the register. The Committee asked why the emergency testing had been delayed. JD reported that it had been scheduled but it been unable to be done as originally planned by the owner and it was now in the remit of the Principal. She confirmed that a fire test with the local emergency services had taken place. The Committee recognised that it would be difficult in the current circumstances to action this but asked that it be reviewed in July 2020. **ACTION: LP**

JD reported on the management of the coronavirus situation which was a very dynamic and evolving situation. There were no known cases of positive testing in College although some staff and students were self-isolating. The Committee asked what arrangements were being made particularly for vulnerable learners. JD confirmed actions being taken, including the move to on-line courses for most students, business

critical staff working from home and having the equipment they needed to do so, the logging of any cases of self-isolation and the College remaining open to those assessed as vulnerable students. Daily updates from the Government and AoC were being reviewed by the emergency planning team.

JD reported on the risk relating to the adult education budget if there changes to sub-contracting rules.

The Committee thanked JD and her team for the report and for all her work managing the coronavirus situation. It was noted that the register would be discussed by the Board on 30 March 2020.

7. Policies for Approval

7.1 Public interest Disclosure Policy (Whistle Blowing)

The Committee considered the updated Public Interest Disclosure Policy. AR reported on the changes made. PC confirmed that from an internal audit perspective, the policy reflected good practice. The post-16 Audit Code of Practice wording had been included and instances of fraud would be covered via the Fraud Policy. AR confirmed that there were no other sections in the current Code that needed to be added.

The Committee confirmed their agreement with the changes and asked that an additional sentence be added in the Confidentiality clause to make it clear that confidentiality might not be able to be offered where the law required disclosure, whilst recognising that the aim was to maintain confidentiality.

The Committee agreed to delegate this additional wording to the Chair to approve and recommended the Policy, once amended for this wording, to the Board for approval. **ACTION: JY/AR**

7.2 Data Protection Policy

The Committee considered the updated Data Protection Policy and noted the key changes. The Committee asked whether the privacy notes referred to under 6.6 were on the website and in the enrolment form for students. AR reported that she would get confirmation from the Data Protection Officer. She also confirmed that a new privacy notice for Governors had been drawn up and would be placed on the Board portal. She noted that there was an error message in para 6.7 which would need to be corrected.

The Committee agreed to recommend the Policy to the Board for approval. **ACTION: AR**

7.3 Anti-Fraud Policy

It was reported that this Policy had not yet been reviewed and would therefore need to be deferred to the next meeting. The Committee asked that this Policy be revised as soon as possible for consideration at its June meeting. **ACTION: LP**

8. Information Compliance Report

The Committee received an information compliance report designed to give assurance to the Audit Committee and Governors that internal processes were in place to ensure compliance with the Data Protection Act 2018 and to report any breaches of compliance or whistle blowing cases. It was noted that the Draft watermark on the report should have been removed. The Committee noted there had been no whistle blowing cases, two data breaches (neither of which needed to be reported to the ICO), four FOI requests and two subject access requests.

9. OfS 2018/19 Individual Learner Record

The OfS letter sent to the Principal was received. This set out confirmation that a small number of students (17) receiving student support had not appeared in the individualised learner record. LP reported that verbal authorisation had been received not to include them but the OfS had asked that they be included. This had been actioned. It was noted that the OfS data amendment panel would meet to consider this in March.

The Chair asked whether the any further audit was needed and whether the external auditor would be made aware. LP confirmed that she awaited the decision of the OfS panel as to any further action and that the external auditor would be made aware.

10. Any Other Business

None

11. Date of next meeting – 29 June 2020 at 16:45

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