Minutes

AUDIT MEETING

Date:	19 February 2024	Time:	4PM
Chairperson:	Chris Wilson	Location:	UCN Room 284

Present	Name	Role
Membership	Chris Wilson (CW)	External Member - Chair
	Javid Iqbal (JI)	External Member
	Stuart Compton (SC)	External Member
	Tim Major (TM)	External Member
	Russell Shackleton (RS)	External Member
In Attendance	Paula Powditch (PP)	Director of Finance (DF)
	Jo Houghton (JH)	Vice Principal – HE & Skills (VPHES)
	Iain Wolloff (IW)	Principal and Chief Executive (PCE)
	Jatinder Matharu	Director of Safeguarding and Support (DSS)
	Cathy Wright (CW)	Vice Principal – Central Services (VPCS)
	Chris Rising (CR)	Internal Auditor – McIntrye & Hudson
	Nathan Hall (NH)	Director of Estates and Facilities (DEF)
	Heather Large (HL)	Governance Professional (GP)
Apologies	Chris Mantel (CM)	External Auditor – Alliotts
	Lee Hunt (LH)	Deputy Principal & Vice Principal – FE & Curriculum (VPFEC)
Quorum	Three members required	Meeting quorate, four members present

AGENDA ITEMS		
Item No.		Reports
1.	**APOLOGIES FOR ABSENCE** There were apologies for absence received and accepted for Mr Chris Mantel from Alliotts and Mr Lee Hunt the Deputy Principal and Vice Principal for FE and Curriculum.	Verbal
2.	**WELCOME NEW COMMITTEE MEMBER** Mr Russell Shackleton was welcomed as a new Committee member.	Verbal
3.	**DECLARATION OF INTERESTS** No declarations of interests were made.	Verbal
4.	**ELECTION OF VICE CHAIR** The Chair advised the Committee that this will be carried forward to the Summer Term as agreed with the Corporation Chair.	Verbal
5.	**MINUTES OF THE PREVIOUS MEETING** The Minutes of the Audit Committee held on the 13 November 2023 were duly agreed, accepted, and will be signed off by the Audit Committee Chair. **The Committee accepted the minutes as an accurate record.**	Paper (3)

6.	**MATTERS ARISING FROM THE MINUTES** • All to consider the role of Vice Chair by the next meeting and submit their nominations to the Clerk. **Ongoing** • Finance Director to clarify the MacIntyre Hudson price uplift year on year for duration of the three year contract. **Ongoing see below.** **Action: CR agreed that he would provide the year on year costings for delivery of the internal audit service.** The Committee asked if the College has resolved the issues regarding Mitie staff being able to operate the Fire Panel. PCE confirmed a meeting had been held with Mitie this morning and they had explained how they are struggling in providing experienced managers on the ground. Assurance had been given that their staff did understand how to operate the fire panel. It was agreed that low numbers of experienced Mitie staff should be recorded on the risk register. **Action: PCE to add lack of experienced Mitie Staff to the Risk Register.** The Committee asked for an update on the Adult Education Budget and were informed that this had been over delivered and the additional income was incorporated into the accounts.	Paper (9)
7.	**OUTSTANDING RECOMMENDATIONS** (Internal and External Audit) **To receive an update on progress with outstanding recommendations** The Committee were informed that most outstanding actions have been completed. The Committee asked for an update on: • Cashflow forecasting. The Committee were informed of the full disclosure on page 13. • Recommendation of Risk Maturity. The Committee were informed this action is not considered a priority at present. A Committee Member suggested that it should have been marked as closed by the Auditors in place at the time. • Risk. It was agreed that there needs to be more of a discussion around the board's appetite for risk. More feedback was felt to be necessary on how embedded the register is across the College. Closure does not necessarily mean the risk has been negated. • Cash Flow. Concern around the finalisation of the land sale and if there are alternative plans in the event funds are not received. • New Finance System. Assured this is now in place and more feedback is required from staff to evaluate its effectiveness. **Action: Risk Register to be an Agenda Item for the first Audit Committee meeting of the new Academic Year.**	Paper (10)
8.	**INTERNAL AUDIT REPORTS** **To review the Audit Report for apprenticeship funding previously provided to the Board** The Committee were informed that: • The audit of apprenticeship funding was carried out on a very different basis from previous years, following advice from the ESFA that any issue relating to a potential funding adjustment (of any magnitude) should lead to a 'fundamental' recommendation. • Despite the fact that auditors have confirmed that the College's audit is positive in relation to audits carried out across the sector, an unprecedented	Paper (27)

- 12 fundamental recommendations have been made, with a limited compliance judgement.
- Apprenticeship funding rules are notoriously complex and subject to constant change. This is particularly challenging for our provision, given that we have a significant number of long duration apprenticeships (i.e. the degree apprenticeship in engineering).
- Based on the audit feedback the Apprenticeship Team are in the process of carrying out 100% audit of all Apprenticeship files.
- The main issue identified relates to apprenticeship dates and hours (Total and Off the Job (OTJ) hrs).
- A new process will be introduced using templates for each course to ensure consistency of information across document and to record changes to dates and the reasons for change.
- Off-the-job (OTJ) hours being logged outside of Gateway is no longer allowed and additional training has been provided for Internal Quality Assurers (IQA), the Apprenticeship Team and Heads of Departments.
- The team have set up a new process for part time apprentices.
- Monthly learning activity reports are run from the e-portfolio, shared with HoDs and Programme Leaders and discussed and actioned in the Apprenticeship working group.
- Improved processes have been set up with Finance to ensure that Employer co-investment and Apprenticeship additional payments are actioned and evidenced in a timely manner.
- Provider data self-assessment toolkit (PDSAT) reports are now being checked by MIS monthly, with errors corrected straight away or evidence provided to explain why the potential error is not an issue.
- Functional Skills (FS) – Apprentices now have a designated member of staff to ensure all apprentices have FS classes. Dates are checked against registers manually in MIS to ensure learners are in learning when funding is claimed.
- A 100% audit of apprenticeship provision is being carried out, which has created a significant increase in workload to the team at the same time as significant growth being seen in this area. The amount of bureaucracy associated with apprenticeship provision is far too high and hopefully funding agencies will consider this in the future.

The Committee:
- Acknowledged the difficulty for any College in achieving a clear audit on apprenticeships because of the complexity of the requirements.
- Sought clarification of when the last ESFA Audit was conducted and were informed that this was two years ago and that there is no specific time interval to indicate when the next one will take place.
- Asked at what stage of the audit the College was informed of the recommendations given the work commenced much earlier in the year. The College advised that communication from the Auditors was rather inconsistent, and that a separate specialist team had been used to conduct the Audit.
- Questioned the apparent mismatch where apprenticeships are judged to be outstanding but is given 12 'fundamental' recommendations.
- Asked for the opinion of CR who confirmed he had not seen that number of recommendations for any other College he had been associated with but pointed out that there were only "one off" errors raised and there were no systematic errors. It would be a more significant concern if auditors had reported that information was not available.

	• Asked for the number of apprentices currently which was confirmed as 270. The College outlined that the rules were often changed within the year and the difficulties associated with that. **Action: VPHES to report the progress of the internal team audit to the next Audit Committee.**	
8.	**RISK REGISTER & RISK MANAGEMENT REPORT** Committee were informed that: • Some risk owners have been reallocated to reflect the new structure of SLT. • The scoring for risk reference 15, relating to income, has been raised significantly to reflect the concerns about the timeliness of the planning permission for the Mayfield Point land sale. • Action plans for each risk have been reviewed with a range of completed actions transferring to current risk control and additional planned actions added; particularly for safeguarding, Health and Safety and Quality of Provision. • The target dates for a small number of planned actions have been revised to later in the year, having been displaced by other priorities. The Committee challenged the College on: • Risk 10 -whether English and Maths staff capacity would be sufficient to accommodate the change in rules for 24/25 recently announced by the DfE? The PCE explained this was less of a concern as the College has had a deliberate strategy of over staffing in both areas. • Risk 29 and whether cyber security should be externally audited. The College confirmed that the Cyber Essentials accreditation is very important for assurance. The Committee asked whether there ought to be external validation of what the College does to ensure cyber security, and the extent to which this is embedded with staff in terms of their ethos and values. Is there a consistent audit going on and appropriate re-education. The PCE informed the Committee that a new contract is in place with JISC (the digital technology agency for universities and colleges), to extend external support around cyber security. The Committee asked to have an internal audit conducted and results reported. • Risk 31 if this is being mitigated or is there a risk that it may fall off. PCE assured Committee this is unlikely as there are proactive partnerships in place now and into the future. **Action: Internal Audit for Cyber Security to be provided .**	Paper (64)
9.	**HEALTH AND SAFETY** The VPCS summarised the Health & Safety Update for the Committee in relation to: • Management of H & S • Health and Safety Committee • Incidents • Off Site Provisions • First Aid • Emergency Procedures • Risk, COSHH, DSEAR assessments • Water Safety • Mandatory Training • Display Screen Equipment • Safety Culture • New system in place for recording minor incidents, SMARTLOG • Detailed conditions survey in progress in readiness of removal of PFI	Paper (65)

	The Committee challenged the College on: • The reporting of minor incidents on the web based system and the benchmark required as to whether it is a major or minor incident. The College provided examples of what would go on the log as major or minor incidents. • What the impact of the boiler failure had on the College. The College reported that the expansion tank was fixed by lunchtime on the same day and some programmes did run on the day, but majority of the curriculum went on to online learning.	
10.	**SIGNIFICANT INCIDENT REPORT** There were no significant incidents to report to the committee, but they were informed of the College Football match being played at another College's football ground where a member of that team collapsed on the pitch and subsequently died a few days later. There were further updates given to the Committee on a recent incident where a staff member fractured their wrist in the Foundation Learning Department. The Committee were given the details of the incident and how the College are mitigating the risks associated with the incident. The Committee asked if there is likely to be a staff insurance claim, which was confirmed to be likely.	Paper (66)

11.	**AUDIT ASSURANCE AND INTERNAL AUDIT PLAN**
	The Committee were informed that:
	• MHA have been appointed as the new internal auditors for three audits during the financial year of 2023/24.
	• It is recommended that audits of the Learner Number Systems and Key Financial Controls go ahead.
	• SLT had identified a significant number of other sources that Audit Committee will be able to draw upon when forming their opinion of the assurance framework operating in the college throughout this year. These include:
	    o The 'mock' inspection monitoring visit being undertaken by FE Associates in March, providing an evaluation of the areas for improvement identified by Ofsted. In addition, the Ofsted Monitoring Visit is likely to take place in the Summer term and will provide a definitive view of progress in these key areas
	    o The external review of Governance that has been commissioned through the AOC, which will report in May
	    o The legal and financial support being provided for the closure of the PFI by the Infrastructure & Projects Authority
	    o The strategic review being undertaken by the FE Commissioners, reporting in March
	    o The review of curriculum planning and recommendations made by the FE Commissioners in January
	• It was recommended that a further audit be conducted on either Student Achievement, Student Recruitment and Marketing, or Cyber Security.
	
	The Committee agreed that the third Audit should be Cyber Security, with the scope and coverage to be determined by MHA
	
	Action: MHA to provide detail on the scope and coverage of Cyber Security Audit.
		Paper (69)

13.	ANY OTHER BUSINESS	Verbal
	The Committee asked for assurances around any claims from members of the public using College facilities such as the Restaurant, Hair Dressing Salon etc. The PCE explained the controls that are in place, including the professional qualifications and experience of the staff and how the services are analysed and scrutinised. Therefore, services are provided to the public where the risks are well managed, but other potential services (such as operating garage services in the Motor Vehicle Department) are not offered, due to the risks involved.	
	Meeting Closed at 17.31 hours.	
	Date of Next Meeting: Monday 17 June 2024 at 4pm – UCN Room 284	

Signed: (Chair)   Date: 17 Jun 2024

Chris Wilson

Chris Wilson (Jun 17, 2024, 8:15pm)

Signable

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