

Agenda

AUDIT MEETING

Date:	28 th November 2022	Time:	4.00 PM
Chairperson:	Martin Hamer	Location:	College Restaurant

Members	Name	Present	Role
	Iain Wolloff (IW)	*	Principal & Chief Executive
	Javaid Iqbal (JI)	*	External Member
	Martin Hamer (MH)	*	External Member (Chair)
	Stuart Compton (SCO)	*	External Member
	Tim Major (TM)	*	External Member
	Tom Rossiter (TR)	*	External Member
Apologies:	Lee Hunt (LH)		Vice Principal
	Nick Fox (NF)		External Member
In Attendance:	Cathy Wright (CW)	*	Director of HR & Support Services
	Didem Allen (DA)	*	Finance Director
	Elizabeth Clayton (EC)	*	External Auditor
	Jo Houghton (JH)	*	Director of Business & Partnerships
	Richard Lee (RL)	*	Clerk to Corporation – Minute taker
Quorum:	3 required	*	5 present at start - meeting quorate

AGENDA ITEMS

Item No.		Reports
1.	APOLOGIES FOR ABSENCE Apologies for absence were received from NF.	Verbal
2.	DECLARATION OF INTERESTS No declaration of interests was made.	Verbal
3.	MINUTES OF THE PREVIOUS MEETING To approve the Minutes of the meeting held on 20/06/2022. The Board unanimously approved the minutes.	Paper – p.2
4.	MATTERS ARISING FROM THE MINUTES MH asked about the status of item 9 the creation and use of College emails. RL responded that all Governor College emails are functioning. MH asked if an £88,000 payment related to the Sandleford Estate was received. IW responded a c.£105,000 payment (including compensation for legal costs) will be paid on the 29 th of November 2022. SC asked if that is the final payment for the small land sale. IW responded that the total figure for	Verbal



Martin Hamer (Mar 13, 2023, 12:43pm)

	<p>the small land sale will be c.£400,000; Feltham Construction will pay c.£320,000 the land when revised planning permission is received (summer 2023), £105,000 relates to land the Sandleford Estate wanted to retain from the small land sale area. MH noted this is the first significant receipt for a land sale for some time and IW confirmed that the last receipt was £1.6 million which had been paid for land 3 years prior.</p> <p>MH noted the internal audit on cash flows report to the Audit Committee has been delayed until December. MH asked if DA believed a December deadline is attainable. DA responded that assuming current staffing provision continues, it is achievable. MH asked DA to notify the Committee if the deadline was not achievable.</p>	
5.	<p>INTERNAL AUDIT REPORTS</p> <p><u>6.1 Learner numbers 21/22</u></p> <p>EC presented the audit report to the Committee on learner numbers looking at compliance with ESFA funding rules focused on 16-19 provision funding, apprenticeship funding, adult education budget funding and advance learner loans. All areas were compliant except apprenticeship funding which was partially compliant. EC noted 9 recommendations were made. EC highlighted the priority recommendations; accuracy of 16-19 hours in the ILR, 3 apprenticeship recommendations related to planned off the job training hours and a recommendation that PDSAT report 22A 216 be regularly checked for planned hours. EC noted that, of the 12 recommendations made in the review, 10 were now implemented.</p> <p>Jl asked if the MIS manager had ownership of the recommendations. EC confirmed that this is correct. SC asked who the subject matter expert is for the funding rules. IW responded that SR is the MIS (Management information systems) manager and expert on funding methodologies and there is also dedicated apprenticeship MIS personnel.</p> <p>MH asked if the Committee received and recommended the report. Recommendation of the report was unanimously approved by the Committee.</p> <p><u>6.2 Subcontracting 21/22</u></p> <p>EC reported to the Committee on compliance with subcontracting arrangements in line with ESFA guidance, with a focus on two primary subcontractors and controls for new subcontracts. EC noted that no recommendations had been made and recommendations from the 2021-22 report have been implemented.</p> <p>Jl noted the ESFA has stated subcontracting will be reduced in the future and asked how the College plans to reduce subcontracting and at what cost. JH responded that the College is below the ESFA threshold for subcontracting (i.e. subcontracting less than 24% of learners). MH asked what assurance the College has that the subcontractor is not sub-contracting funding for students to another institution. JH responded this is checked through the ILR – Individual Learner Records. MH asked if the ILR covers all government funded activity and JH confirmed that it did. SC asked if the College had been</p>	<p>Paper – p.7 Paper – p.36 Paper – p.48 Paper – p.62 Paper – p.79 Paper – p.93 Paper – p.110</p>

	<p>approached to subcontract for a third party. JH confirmed that the College has subcontracted for Qube Learning and the West Berkshire Training Consortium.</p> <p>MH asked if the Committee accepts the report's recommendations. The Committee unanimously voted to accept the report's recommendations.</p> <p><u>6.3 Budget Management 21/22</u> EC reported to the Committee on the audit of budget management and invoicing. EC noted a number of College strengths; financial regulations that detail budget management responsibilities for particular staff, the monthly analysis of budget variance and built in controls within the finance system in relation to the invoice approvals process. EC noted several areas of improvement raising 3 priority two recommendations – segregation of duties between individuals responsible for raising and approving a purchase order, introducing a procedural guidance document for the annual budget setting process, generating receipt notes on receipt of goods - and 1 minor recommendation. Overall, the report was positive.</p> <p>MH noted the typing mistake on page 54 of the report. MH asked if the Committee would adopt this report. The Committee unanimously voted to adopt this report.</p> <p><u>6.4 Risk Management & Corporate Governance 21/22</u> EC reported to the Committee on the audit of risk management noting this was the focus of this review. CE noted many strengths including the risk management policy, risk register and SLT reporting framework. One significant recommendation – to add detail to the risk management policy to identify the responsibilities of risk owners – and 3 minor recommendations were identified.</p> <p>MH asked if overall the current findings are acceptable. EC affirmed they are. MH asked if the Committee would approve the recommendations. The Committee unanimously approved the recommendations.</p> <p><u>6.5 Internal Audit Annual Report 21-22</u> EC reported to the Committee on the audit plan. EC noted a 4-tier grading system has been introduced under which the College has attained a moderate opinion – a positive position that is common across the FE and public sectors. EC noted all recommendations have been accepted across the year and the audit review has been delivered subject to some minor differences.</p> <p>MH asked why an annual Audit Committee report has to be made to the FGB as all this information is contained in minutes. IW responded that the report is required by the Audit Code of Practice. EC noted the audit report follows the PFIA standards. MH asked if the Report added any value. IW responded that it contains some additional information. SC asked if the Report is published on the website. IW responded no but it is submitted to the FGB. EC noted an amended Report could be publicly released but this is not common practice.</p>	
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	<p>6.6 Internal Audit Action Tracker Update EC summarised the recommendation tracker for the Committee noting it provides an overview of current recommendations including the recommendations from the cash flow forecasting report and recommendations from the 2021-22 reports. EC noted these recommendations are not yet reviewed and will be followed up in 2022-23.</p> <p>6.7 Internal Audit Plan 2022/23 EC reviewed the internal audit plan for the Committee noting areas of focus for 2022-2023 were learner numbers, subcontracting and core financial systems alongside the follow up review and strategic reviews on apprenticeships and GDPR compliance. EC will work with the College to confirm dates for each review.</p> <p>MH noted the Committee previously agreed to review these areas at the last meeting. DA noted that her title has changed and asked the audit to be updated accordingly.</p> <p>MH asked if the Committee would receive and implement report. The Committee unanimously agreed to receive and implement the report.</p>	
6.	<p>RISK REGISTER & RISK MANAGEMENT REPORT IW asked the Audit Committee to consider the latest update to the Risk Register. The College maintains a risk register that is subject to regular review. Risks identified are scored on both their potential impact and probability, to give an overall score and to enable a ranking of risks. The register was subject to substantive review in April, which was approved by the Committee and discussed by the Board The key changes included:</p> <ul style="list-style-type: none"> • Revision and updating of both 'Actions taken to mitigate' and 'Action plans to reduce risks further' for all risks. • Re-allocation of risk owners amongst the SLT. • Reviewing of all scoring. • Removal of some outdated risks and the addition of specific risks on the PFI and Business Continuity. <p>The Register has been further reviewed at the beginning of November, various actions have been taken and others have been updated (shown with tracked changes). The highest ranked residual risks remain safeguarding and those related to income and cashflow.</p> <p>TR asked if cyber security is considered a serious risk. IW reminded members of the Committee that Cyber Essentials (CE) is used by the College and externally reviewed. TR asked If CE is a live system. IW responded it is annually reviewed. EC noted that the impact scoring of risks on the risk register are between gross and residual which demonstrated an understanding that controls cannot necessarily mitigate impacts.</p> <p>MH Asked if Committee would adopt the Risk Register recommendation. The Board unanimously approved the adoption of these recommendations.</p>	Paper – p.116

7.	<p>HEALTH & SAFETY</p> <p>CW asked the Committee to review the information provided in this report, which gives a summary of H&S plans for 2022-23. The report summarises key areas of H&S provision including:</p> <ul style="list-style-type: none"> • Management of Health & Safety • Health & Safety Committee • Incidents • First Aid • Emergency Procedures • Risk, COSHH, DSEAR assessments • Water Quality • In-House Training • Environmental • Policies and Procedures • Safety Culture <p>CW noted potential improvements as:</p> <ul style="list-style-type: none"> • There have been no significant incidents reported this year • The Emergency procedures for the College were reviewed with SLT and CLT. • A review of the on-line training provided • On-line induction training has been introduced <p>CW noted a new recording system is in place and online induction training has been introduced. Emergency procedures have been reviewed and retraining will be undertaken.</p> <p>MH noted that the implementation of the policy seemed robust and thanked CW. SC asked if near misses were actioned. CW affirmed they are but that that they are still under-reported. JI asked if the change of the bin service supplier had any cost implications or penalties. CW responded it did not. JI asked if the new service price was lower. CW affirmed it was.</p>	Paper – p.123
8.	<p>SIGNIFICANT INCIDENT REPORT</p> <p>None.</p>	Verbal
9.	<p>Internal Auditors meet with Committee</p> <p><u>Officers were not present for this conversation.</u></p>	Verbal



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