



636 PRELIMINARY PROCEDURAL MATTERS

636.1 Attendance, Apologies & Welcome

Present: Ken Ayling
Mark Eastwood (Committee Chair)
John Sills
Jan Wing

In Attendance: Sam Abbas (RSM)
Andrew Clare (Deputy Principal Finance & Resources)
Jayne Chaplin (Clerk to the Corporation)

Apologies: Ricky Irons
Rina Singh

636.2 Declaration of Interests & Confidential Items

None.

636.3 Private Meetings

636.3.1 Auditors without Officers Present

It was confirmed that there was nothing that needed to be raised with the Governors under this item.

636.3.2 Officers without Auditors Present

After observing those matters forming the subject of report elsewhere on the agenda (Minute 637.2.3 refers), discussion with Management focused on the performance of the Internal Audit Service during the spring term. Members were advised of some issues in the finalising of some audit reports but an otherwise positive relationship with the IAS.

636.3.3 Minutes & Matters Arising

Minutes of the Meeting Held on 8 December 2017

The minutes of the last meeting were approved as a correct record for signing by the Chair.

Matters Arising

With all matters covered on the agenda, there were no matters to report.

637 ACADEMIC YEAR 2017/18

637.1 Internal Audit Reports

Reports regarding internal audit activity for the current year were received from the Internal Audit service, RSM, comprising:

637.1.1 Progress against Annual Internal Audit Plan

A report was received updating members on progress against the Internal Audit Plan for 2017/18.

There was review of progress noting confirmation that:

- There had been three final reports to date with two presented for review at the meeting (Minutes 637.1.2 and 637.1.3 refer)
- There had been no changes to the Audit Plan

There was consideration of the remaining reviews within the Plan for the year with focus on the timing of the April 2018 audit of Sub-contracting. Noting updated guidance was imminent but not published, there was discussing of timing to ensure compliance with the timescales for the completion of formal certification but avoiding duplication of the review. It was agreed for further discussion of and a decision about the date to take place nearer to the time.

The update was noted.

In accordance with the Audit Plan for the year, the findings of and recommendations from the Internal Audit reviews completed to date then were presented covering:

637.1.2 Audit Report: Apprenticeships

It was reported that the objective of the review had been to provide assurance over the management of and risk in the College's Corporate Risk Register, to revitalise the curriculum offer for 2017/18, to ensure response to local, LEP and national priorities.

It was reported that testing confirmed that the Board could take reasonable assurance that the controls were suitably designed and consistently applied. It was noted however that issues were identified that that required addressing to ensure that the control framework was effective with one medium and one low rated recommendation made, which were accepted by Management.

In the context of the reasonable assurance provided, members reflected on and questioned the adequacy of the control framework, discussing with the IAS the rationale underpinning the assurance. Members:

- Were advised that distinction had been made during testing between the framework and in-year performance. It was reported that the assurance was based on under-performance noted during the review, which presented a potential risk to 2018/19 funding. Whilst observing the position to be reflective of the national trend, the observation was accepted.
- Welcomed assurance however that control framework itself was considered well-designed and consistently applied, reflected in the low number of recommendations made with confirmation that the framework was reflective of good practice that compared well with that of sector colleges.

Following review, the report was noted.

637.1.3 Audit Report: Progress against Ofsted Quality Improvement Plan (QIP)

It was reported that the purpose of the review was to provide assurance over the controls and support mechanisms in place for the College to continue to reposition and re-shape the organisation in light of and aligned to the previous Ofsted inspection.

Members were advised that testing confirmed that the Board could take reasonable assurance that the controls were suitably designed and consistently applied. It was noted however that issues were identified that required addressing to ensure that the control framework was effective with one medium and one low rated recommendation made, which were accepted by Management.

Reporting to members on the detail of the review findings members were advised that:

- Evidence confirmed that a QIP had been fully established and aligned to the Ofsted inspection report and progress against actions reported within the Plan was accurate.
- Testing of the implementation of actions however identified issues of clarity regarding evidence of formal review of the QIP, which presented the risk of challenge by Ofsted regarding whether the Board had formally reviewed and challenged its adequacy.

There was query of the audit findings regarding monitoring at Board level, discussing the nature and frequency of reporting and monitoring, reflecting further on the format and regularity of reports presented.

It was agreed that formal monitoring had taken place. It was recognised however that the presentation and review of the QIP as a whole could be improved, accepting the recommendation for clearer signposting where addressing different aspects of the QIP were being addressed in the reports.

Following discussion, the report was noted.

637.2 Other In-Year Reviews & Audit Matters

Reports were received updating members on other in-year reviews and audit matters comprising:

637.2.1 Higher Education Funding Council (HEFCE): Funding Data Reconciliation

Reporting on a letter sent following the recent sign-off of the 2015-16 ILR funding and monitoring data (FAMD) exercise.

Shared with the Committee to ensure oversight of the implementation of the action plan submitted following the review to ensure errors identified between the data sets would not recur in the future.

After observing those actions remaining outstanding, there was discussion of the process for the Committee to ensure implementation. It was agreed that these would be incorporated in the audit recommendations tracker.

After consideration, the report was noted.

637.2.2 Implementation of Audit Recommendations: Audit Recommendations Tracker

A report was presented updating members on progress in the implementation of previous audit recommendations.

Reporting that the Tracker covered all reviews undertaken from February 2017 to date, progress was considered:

- Concurring with the conclusion that overall reasonable progress had been made.
- Requesting for the inclusion of an additional column to highlight to the Committee anything critical to bring to its attention, including where the implementation date had passed and a revised action date was to be provided.

After consideration, the updated was noted.

637.2.3 Audit Service Arrangements: Tender Arrangements Update

Further to discussion at the previous meeting, an oral report was received updating members on progress in the preparations for the market testing of the External Audit (Financial Statements) Service.

Members were advised that the invitation to tender documentation had been prepared and the timescales were noted within which the process it was proposed for the process to be concluded.

The update was noted.

637.2.4 College Financial Regulations (Review)

A report was received reporting on the outcome of the review of the College Financial Regulations to ensure these remained in-line with the Financial Memorandum between the Funding Body and the College, which set out the terms and conditions on which grant funding was made.

The changes were summarised, which it was confirmed were mainly to reflect changes in titles, the re-wording of text or revisions to payment limits.

After noting the changes, it was observed that the document in its entirety had been inadvertently omitted from the Committee papers. It was agreed that it would be circulated outside of the meeting requesting for the communication of any further amendments to be forwarded to the Deputy Principal Finance & Resources.

It was **RESOLVED** to:

- **APPROVE** the revised Financial Regulations were approved subject to the communication of any further amendments to the Deputy Principal Finance & Resources outside of the meeting.

638 Risk Management

638.1 Risk Management Report and Risk Register Update.

The risk management report and risk register update were received.

Acknowledging the risk profile to be reflective of the environment within which the College was operating, members were advised of little significant change since the previous report.

In the context of:

- Specific risks and the forthcoming introduction of the General Data Protection Regulation (GDPR), discussion focused on:
 - i. Progress with preparations noting that a member of SLT was tasked to oversee the changes scheduled with a task group of key staff convened to help manage the transition.
 - ii. Proposed arrangements with College sub-contractors welcoming confirmation of inclusion in the College review of its processes and contractual arrangements.
- The Risk Register in general, it was confirmed in response to questioning that review of the Register would form part of the Internal Audit Service Follow-up review and would include emerging risks.

After consideration, the report was noted.

639 OTHER BUSINESS & NEXT MEETING

639.1 Any Other Business

There was no other business.

639.2 Date of the next Meeting.

Friday 6 July 2018