

Governing Body
AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the meeting held at 5.00pm on 23 February 2016

Present: **K Golding (Chair)** **C Manning**
 A Maltpress **N Roberts**

In Attendance: **S Jones, Vice Principal Finance and Resources**
 P Ewan, Head of Finance
 T Hewlett, Director of Maths and English
 P Goddard, Scrutton Bland
 L Keane, Scrutton Bland
 A Hicks, Interim Clerk to the Corporation

No interests relevant to items on the agenda were declared by members.

1 Apologies for absence

Apologies for absence were received from J Gazzard, R Inman, J Bridges, Clerk to the Corporation and External Auditors H Catchpool and J Smith.

2 Appointment of a Vice Chair

The Committee was asked to consider who to appoint as Vice Chair to enable succession for K Golding, who at the point he becomes the Chair of the Corporation (December 2016) is automatically precluded from being Chair of the Audit and Risk Management Committee under the Joint Audit Code of Practice. The JACOP states that the Committee must comprise “a minimum membership of three, a majority of whom must be governors, but must not include the Chair of the Corporation or the Principal”. It was noted the appointee will succeed K Golding as Chair of the Committee in December 2016. Following much discussion the Committee agreed to refer the matter to the Corporation for a decision. The interim Clerk to advise the Clerk of the Corporation.

3 Minutes of the meeting held on 24 November 2015

The minutes of the meeting were agreed as a correct record subject to amending minute 8 FRS102 to replace “improve the operating surplus” second paragraph, page four, with the words ‘strengthen the balance sheet’.

4 Matters Arising

From the minutes of the meeting held on 24 November 2015:

3 Committee Self Evaluation Results

Audit sponsors will be invited to attend the meeting of the Committee when the audit report is being considered by the Committee. This will be included as a standard agenda item in future.

5 Internal Audit Recommendation Tracking Report

Members said at the meeting held in November 2015 that they would like to see some sort of review of our IT services. The Vice Principal Finance & Resources gave a comprehensive report on progress to date. A current exercise to document software in use throughout the College is in progress and this information will be used as the basis of a software assessment which will then inform the production of a software element of an overarching IT

Action

A Hicks

J Bridges

strategy. All software requests are now considered a part of this strategy prior to approval.

6 Draft Committee Annual Report 2014/15

The report was amended as requested by the Committee before being approved by the Corporation at the 11 December 2015 meeting.

The Chair recommended the Corporation approved the annual report at the 11 December 2015 meeting.

7 Assessment of Internal Control Systems (FMCE)

The Principal signed the document at the 11 December 2015 meeting of the Corporation. The Clerk has the signed copy on file.

8 FRS102

Out of curiosity the Committee asked external auditors to confirm the accounting position if the assets are revalued and the valuation goes up. Auditors have confirmed that the new FE SORP and the accounting would follow the same approach as the current legislation. If the College revalued the property and there was an increase in value there would be a revaluation reserve created equivalent to the increase in value. Depreciation charge each year would be based on the updated value of the property resulting in a higher depreciation charge each year. There would be a transfer between reserves so that the revaluation reserve would reduce over the remaining useful life of the property.

10 External Auditor's Report for the year ending 31 July 2015

Some governors who are Members and/or Trustees of SAT and/or SENDAT had not disclosed their interest on registers. The Clerk has confirmed that all registers have been updated appropriately and are held by the Clerk.

The Chair put forward the recommendation to the Corporation at the 11 December to approve the letters of representation and the Report and Financial Statements for the year ending 31 July 2015.

11.i Maths and English Internal Audit Report

The Director of Maths and English, T Hewlett, was invited to attend the meeting to discuss the content of the recent internal audit and get his thoughts regarding current position and what can be improved in subsequent years. This is covered in more detail under item 5 of this meeting.

13 Risk Management Update

The new risks added to the register have been profiled and mapped in the Board Assurance Map by the College Secretary.

5 Maths and English Update – Trevor Hewlett

The Director of Maths and English gave a comprehensive report on the actions taken to address the recommendations. He gave details of the action plan in place, in order to elicit improvements. At present 15 (down from 28 in January) students do not meet the condition of funding for maths, and 4 (12 in January) for English. These have now been followed up, and a number were exempt or have brought in GCSE certificates. Those who did not comply with the required attendance have been accelerated to a Final Written Warning and an action plan has been put in place to support their integration into the Maths / English class.

The remaining 15 students still refusing to attend lessons will now be excluded from their courses (5 have non-attendance at maths and English). Members were encouraged to hear compliance is now above 99%.

The Committee received assurances that there was sufficient teaching staff in place. Members discussed the resources needed to ensure facilities and support were available for exams to be taken and the risk of over delivery of funded hours.

Trevor Hewlett was thanked for his attendance and left the meeting at 6.50pm.

6 Internal Audit Recommendation Tracking Report

Nine recommendations have been completed since the Committee received the status report at the meeting held in November 2016. Members noted those areas completed and received assurance from the internal auditors that actions taken were satisfactory.

The Vice Principal Finance and Resources reported that planned actions in respect of the audit on IT Backup and Document Retention had been delayed until issues arising from an incident which had occurred in November 2015 had been fully assessed. The Committee received assurances that the planned remedial actions would be taken by the next meeting. Members agreed the forthcoming audit on Computer Control Environment provided an opportunity to test procedures also discussed under item 8 of the meeting.

7 Internal Audit Reports

7.i. Learner Retention

The report concluded significant assurance (green status). The purpose of the work was to ensure that the strategies that are in place to optimise the level of retention achieved, both in year and when progressing from the first to second year of a programme as well as sharing best practice are effective and are working in practice.

The internal audit work found that the College has several robust processes in place to identify learners at risk of withdrawing or not achieving. These learners are clearly identified within ProMonitor or OneFile and the measures in place to support the learners are discussed by the PSTs and the WBL Co-ordinators with their Line Managers on a regular basis. The PSTs offer a wide range of support to all classroom based and Workbased learners and are in regular contact with the 'at risk' learners to encourage them to stay on course. The Assistant Principal, Students and Learning Support has oversight of all learner withdrawals and challenges the PSTs and the curriculum staff to help ensure that all learners are encouraged to stay on their course or that alternative arrangements are available if required.

The areas identified to improve include ensuring that the systems in place for contacting learners with an unauthorised absence are being followed in practice by the PSTs and for ensuring that all Workbased learners are risk rated on the OneFile system by the WBL co-ordinators. These two low risk recommendations to improve the performance of the system of internal controls are detailed in the report on page 5.

Members noted improved retention rates from 91% (2014/15) to 97% for the current year. They asked if this figure included Workbased Learning programmes. As the answer to this was not clear it was agreed that the facts be established and reported back to the Committee.

8 Progress Report

The progress report confirms the three significant assurances (green status) provided on Budget Setting, Maths and English and Learner Retention Internal Audits. Members noted the audits for Risk Management and Governance had been postponed to May as the Audit Sponsor is currently on sick leave.

Members discussed the planned audit for Computer Control Environment. They agreed that as a result of an incident resulting in the loss of data which occurred in November 2015 the scope of the audit should be changed from Encryption systems to Disaster Recovery.

Scrutton
Bland

The Committee noted the planned audit on Study Programmes and agreed to invite L Johnson and L Moody to the next meeting of the Committee to report on the audit and give an update on learner retention.

J Bridges

9 Risk Management Update

The risk register has been updated to ensure that the key risks for the academic year are appropriate. The top three risks concern the impact of Area Reviews, Devolution and validity of data.

The Heat Map shows a decrease of high risks (red zone) between the months of November and February and 9 risks have now dropped into the green (residual) zone demonstrating a positive downward trajectory in risk level. Members sought an explanation as to why two risks numbers R044 and R063 had increased from green to amber. It was agreed that the Vice Principal Finance & Resources will investigate and report back via email.

S Jones

An analysis of risk movement was also provided in the report and it was noted that the Board Assurance Map has been subject to a full review to ensure that all lines of assurance are appropriately profiled and mapped against each risk on the register.

The Committee were alerted to the emerging reputational risk associated with the Free School Market. Members were concerned as to the timescales as applications needed to be in place in March. Following discussion it was agreed that the risk be referred to the Free School Task and Finish Group for assessment and inclusion in the Risk Register. The Committee agreed to discuss the risk further at its meeting in June and further agreed that A Whatley, Assistant Principal Learning Partnerships, be invited to attend the meeting to participate in said discussion.

J Bridges

10 Committee Meeting Times

After some consideration the Committee agreed that the Clerk will continue to schedule meetings for a Tuesday at 5.00pm.

11 Any other business

None.

Date of next meeting

Tuesday 21 June 2016 at 5.00pm. Room TG1.16

The meeting closed at 6.45pm