



Minutes of an electronic Audit Committee meeting held on 30 June 2020 at 1700 hrs

|                      |                                      |                                   |  |
|----------------------|--------------------------------------|-----------------------------------|--|
| <b>Present</b>       | Guy Ainsley                          | Chris Nicholls                    | Irina Kendix                                 |
|                      | Ben Stapleton<br>(Chair)             |                                   |  |
| <b>In Attendance</b> | Shachi Blakemore<br>(Buzzacot LLP)   | Ralph Devereux<br>(Clerk)         | Paul Goddard<br>(Scrutton Bland)             |
|                      | Cath Gunn<br>(Principal BC)          | Leisyen Keane<br>(Scrutton Bland) | Eamonn McCarroll<br>(DoF)                    |
|                      | Phil Thompson<br>(Corporation Chair) | Gill Worgan<br>(Principal)        | Louise Barden<br>(Principal's PA/IT Support) |

**STANDING ITEMS**

**33/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS**

- a. The meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no interests declared.
- b. There was no requirement for a closed meeting.
- c. Urgent Business. There was no urgent business requested.

**The information was received**

**34/19 MINUTES OF THE LAST MEETING**

- a. The Minutes of the last meeting held on 25 February 2020 were confirmed for electronic signature; action delegated to the Clerk. **(Action 1)**
- b. There were no matters arising from the minutes.
- c. Outstanding Actions. Outstanding actions from the previous meeting had been completed or were in progress.

| Refer to reference minute for full detail |  | Resp            | Date           |
|---|--|-----------------|----------------|
| <b>Action 1</b>                           | 24/19a. Last minutes (27.11.19) confirmed for signature.                 | <b>Clerk</b>    | <b>wie</b>     |
| <b>Action 2</b>                           | 25/19a New possible audit areas to be added into the Audit Plan universe | <b>IAS</b>      | <b>30.6.20</b> |
| <b>Action 3</b>                           | 26/19c. Members advised asap after Limited Assurance Reports.            | <b>DOF</b>      | <b>asap</b>    |
| <b>Action 4</b>                           | 26/19d. Whistleblowing question in next staff survey.                    | <b>GW</b>       |                |
| <b>Action 5</b>                           | 26/19d. Informal Whistleblowing awareness survey at BC.                  | <b>GA/CG</b>    | <b>wie</b>     |
| <b>Action 6</b>                           | 27/19a. RR confirmed.  | <b>Chair</b>    |                |
| <b>Action 7</b>                           | 27/19a. Relevance check on RR entries.                                   | <b>DOF</b>      | <b>asap</b>    |
| <b>Action 8</b>                           | 27/19b. BC rec tracker no longer necessary.                              |                 | <b>Chair</b>   |
| <b>Action 9</b>                           | 27/19b. Thanks recorded re clearance of BC recommendations               | <b>11.03.20</b> |                |
| <b>Action 10</b>                          | 29/19. Re-appointment of Buzzacott for one year recommended.             |                 |                |

- d. Actions 4. The whistleblowing survey would be completed next term since there had recently been a higher priority staff survey. **(Action 2)**

- a. **The information was received.**
- b. **Actions had been identified** (Register at 41/19)

## BUSINESS ITEMS

### 35/19 RISK MANAGEMENT

Risk Register (RR). The RR had been updated as required by the current Risk Management (RM) Policy and the revised version was scrutinised and discussed. The document comprised:

- a. a “High Level” WHC RR together with a separate and detailed RR (Appendix 1); and
- b. three “special/specific RR (HH/BC Redevelopments and Covid-19).

Risk information would be regularly scrutinised by the Committee including: “High Level” and the Full Register each term; two new risks had been added to the “High Level” summary:

- c. 5.3. Safeguarding process vulnerability during lockdown; and
- d. 8.10. Self-isolation for College staff.

A full summary of the RR had been tabulated, the information compared the detail reported at the last Corporation meeting with that in today’s report; the Register was discussed, welcomed and confirmed. **(Action 3)** The latest versions of the Hemel Hempstead and Barnfield Campus Redevelopment RRs were at Annexes 2 &3 respectively; the latest Covid specific version was at Annex 4. During discussion it was suggested that more details on actions proposed to mitigate some risks would be useful and that was agreed. **(Action 4)** A minor text update for risk 1.11 was suggested, some inherent risk scores (eg 10.7) would be referred to owners for confirmation and risks appearing on more than one register would be checked for overlap. **(Action 5)** There was also general consideration of consistency, for example, whether “Quality of Education” and “Achievement” ratings were appropriately related. The effect of a possible recurrence of Covid-19 “second wave” was discussed, the initial plan had been amended by a comprehensive action (lessons learned) log, which had been diligently recorded throughout the lockdown and management was confident in this area.

- a. **The information was received.**
- b. **Actions had been identified** (Register at 41/19)

### 36/19 INTERNAL AUDIT RISK AND ASSURANCE (R&A)

There were 3 Fieldwork Reports, the “Follow Up”, the 2019/20 Progress Report and the Strategy and Plan for the coming year to consider.

- a. Key Financial Controls (KFC) - Procurement. The scope, approach, risk and objectives of the fieldwork assignment was fully explained in the Report and informed detailed consideration of the Report, Green “**strong**” assurance had been given regarding Procurement processes at WHC, accordingly, the Corporation could take assurance that “governance, risk management and control arrangements provide strong assurance, that the material risks reviewed are managed effectively”. The audit had scrutinised transactions for the current financial year, there were 674 registered suppliers and they were regularly purged; a Group wide cross-departmental rationalisation exercise was planned. There had been no recommendations. Members welcomed the report.
- b. Learner Records. The scope, approach, risk and objectives of the fieldwork assignment was fully explained in the Report and informed detailed consideration of the Report, Green “**significant**” assurance had been given regarding learner recording processes at WHC, accordingly, the Corporation could take assurance that “governance, risk management and control arrangements provide significant assurance, that the material risks reviewed are managed effectively and there are some areas where the adequacy or operation of controls in practice should be improved further” There had been five “low” risk recommendations and each was individually considered. All had been accepted, responsibility allocated and completion dates identified.

- c. Governance. The scope, approach, risk and objectives of the fieldwork assignment was fully explained in the Report and informed detailed consideration of the Report, Green “strong” assurance had been given regarding Governance processes at WHC, accordingly, the Corporation could take assurance that “governance, risk management and control arrangements provide strong assurance, that the material risks reviewed are managed effectively. There had been one “low” risk recommendation, which had been accepted, responsibility allocated and a completion date identified; the added value point was noted and would be considered at the next Search and Governance Committee meeting. **(Action 6)**
- d. Follow Ups. “Good” progress had been made with implementation of recommendations; of the 14 made, 9 had been fully implemented; full background and reasoning for the 4, which had been superseded and one not actioned was included in the report and was received.
- e. Progress Report. Seven field reports had been completed and considered by the AC, dates for the remaining 3 elements of the R&A Plan had been identified and fieldwork had been completed for two of these The final audit “IT Infrastructure” was planned for late in this academic year, the report may be received in 2020/21 but would remain as part of the 2019-20 audit plan. If an additional Committee meeting was arranged for September, then it may be possible to present that Report.
- f. Audit Strategy and Plan 2020.21. The suggested IAS Annual Strategy and Annual Plan (2020-21) had been determined after close discussions between the IAS/DoF and informed by the College Risk Register together with close consideration of prior coverage and assurances. The scope of the summary plan over 50.5 days was sufficient to enable a full IAS opinion; the plan was closely considered and strong support emerged for inclusion of an Equality and Diversity (E&D) element. This was discussed and it was agreed that there was no scope in the suggested and carefully determined plan to replace any element and an additional E&D audit would be added, this to be completed later in the year to allow scrutiny of planned structural and administrative changes. **(Action 7)** It was clarified that the IT infrastructure project discussed earlier included a review of cyber risks, and accordingly it would not be included again in 2020/21. With the inclusion of the E&D project, it was agreed to recommend the indicative plan, to the Corporation for adoption. **(Action 8)**
- g. Sector Update. A useful discussion regarding current sector issues was welcomed, a wide range of issues including some Covid related, such as the advantages of electronic registration and the lockdown effect on College finances and the possibly related ESFA focus on cash flows, instances of abuse of the furlough system, increased focus on diversity and wellbeing and increasing IT scamming were discussed; the IAS was thanked for the information and it was noted that the WHC Group was well placed to most.
  - a. **The information was received.**
  - b. **Actions had been identified (Register at 41/19)**

### 37/19 EXTERNAL AUDIT

The External Audit Strategy for audit of the annual financial statements (AFS), the Regularity and Teachers’ Pension Agency (TPA) audits, the TT Financial Statements and the terms of Engagement Letter, which had been discussed and agreed with the DoF, were at Appendix 2. A bespoke plan for completion of the audit work had been determined (Appendix 1) with a clear and manageable mutually agreed timetable, which would be finalised after the Corporation Schedule had been approved. The ESFA had yet to publish the Post 16 Audit Code of Practice for the year but it was understood that there would be no significant changes from the previous version. Several issues were highlighted and brought to the Committee’s notice by the External Auditor; these were individually listed in the document as areas of audit significance and were individually considered. The audit timeline allowed for Committee and Corporation consideration in November and December 2020 respectively, after receipt of the final EFSA income confirmation. This of course could be subject to change should the “second wave” Covid emerge. The Auditor highlighted the need for flexibility if this arises. The key risks were detailed, all were considered individually and the approach and response to each was explained; the plan was recommended to the Corporation for approval at a fee of £31,885+VAT. **(Action 9)**

During general considerations the question of how much cash represented a prudent provision, for example was the present Policy level of a base £5m sufficient? There was no official guidance as yet, although the issue's profile was raising and a linkage between salary costs and a retention figure may emerge. It was agreed to consider the issue closely when planning the next budget – to be discussed at Corporation. **(Action 10)**

- a. **The information was received.**
- b. **Actions had been identified (Register at 41/19)**

### 38/19 REPORTS

- a. General Data Protection Regulation (GDPR). There had been 2 “Access Requests” received: one had been provided and one that did not progress. There had been 2 “non-reportable” genuine inadvertent breaches of the GDPR, which had been promptly reported internally and treated properly according to due process. The process was explained and both post-incident actions agreed as appropriate.
- b. Whistleblowing. There had been no “Whistleblowing” incidents since the last meeting.
- c. Fraud. There had been no incidents of attempted or actual fraud, members were reassured that staff awareness of possible attempts was high and was regularly checked and updated. Details of Covid related increased number of incidents in the sector were widely shared.

**The information was received.**

### 39/19 URGENT BUSINESS

There had been no urgent business agreed.

### 40/19 DATES OF NEXT MEETINGS

The advisability of an additional meeting in September was agreed; the Clerk would canvass and advise the date. **(Action 11)**

### 41/19 ACTION TABLE

| Refer to reference minute for full detail |  | Resp         | Date            |
|---|--|--------------|-----------------|
| <b>Action 1</b>                           | 34/19a. Last minutes (24.02.20) confirmed for signature.                           | <b>Clerk</b> | <b>wie</b>      |
| <b>Action 2</b>                           | 34/19d. Whistleblowing survey postponed until 2020/21 T1.                          | <b>DoF</b>   | <b>asap</b>     |
| <b>Action 3</b>                           | 35/19. RR confirmed.   |              | <b>wie</b>      |
| <b>Action 4</b>                           | 35/19. More detail on risk actions to mitigate risks on some risks to be included. |              |                 |
| <b>Action 5</b>                           | 35/19. Individual risks integral validity to be confirmed.                         | <b>Clerk</b> | <b>asap</b>     |
| <b>Action 6</b>                           | 36/19c. S&G Cttee SAR to be considered.  | <b>DoF</b>   |                 |
| <b>Action 7</b>                           | 36/19f. E&D project to be added to IAS plan 2020/21.                               | <b>Chair</b> | <b>08.07.20</b> |
| <b>Action 8</b>                           | 36/19f. IAS Annual Plan as amended recommended to Corp.                            |              |                 |
| <b>Action 9</b>                           | 37/19. Ext Audit plan and fee recommended to Corp.                                 | <b>DoF</b>   | <b>asap</b>     |
| <b>Action 10</b>                          | 37/19. Ready cash reserve position tbd.  | <b>Clerk</b> | <b>wie</b>      |
| <b>Action 11</b>                          | 40/19. Additional meeting to be arranged.  |              |                 |

Ralph Devereux (Clerk) for Ben Seppleton (Chair)

# AuditMinutes30.06.20RDEMcBS (00000003)

Final Audit Report

2020-10-02

|                 |  |
|-----------------|--|
| Created:        | 2020-10-02                                   |
| By:             | Ralph Devereux (office.mpe@btconnect.com)    |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAHN2glnqAEc3J8dCV0vUu9zja-_Q5Vz9S |

## "AuditMinutes30.06.20RDEMcBS (00000003)" History

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2020-10-02 - 7:51:53 AM GMT- IP address: 86.151.67.65
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2020-10-02 - 7:52:11 AM GMT
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2020-10-02 - 8:13:15 AM GMT- IP address: 212.102.45.58
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Signature Date: 2020-10-02 - 8:13:54 AM GMT - Time Source: server- IP address: 212.102.45.58
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