



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

Present	Guy Ainsley	Chris Nicholls (01-03/20 only)	Irina Kendix
	Ben Stapleton (Chair)		
In Attendance	Ralph Devereux (Clerk)	Paul Goddard (Scrutton Bland)	Cath Gunn (Principal BC)(not 08/20)
	Leisyen Keane (Scrutton Bland)	Eamonn McCarroll (DoF) (not 08/20)	Phil Thompson (Corp Chair) (not 08/20)
	Gill Worgan (Principal) (not 08/20)	Louise Barden Principal's PA/IT Support (not 08/20)	
Apologies	Chris Nicholls (Early departure)		

STANDING ITEMS

01/20 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. Ben Stapleton was confirmed as Committee Chair for the current year. **(Action 1)**
- c. There would be a closed meeting at the end of business.
- d. Urgent Business. There was no urgent business requested.

The information was received

02/20 MINUTES OF THE LAST MEETING

- a. The Minutes of the last meeting held on 30 June 2020 were confirmed for electronic signature; action delegated to the Clerk. **(Action 2)**
- b. There were no matters arising from the minutes.
- c. Outstanding Actions.

In response to a query on Action 7, it was confirmed that E&D would be covered under the HR audit that was now included in the Audit Plan for 2020-21

In response to a query on Action 10, it was confirmed that an update on the review of the ready cash reserve would be presented to the October Corporation.

All other outstanding actions from the previous meeting had been completed or were in progress.

Refer to reference minute for full detail		Resp	Date
Action 1	34/19a. Last minutes (24.02.20) confirmed for signature.	Clerk	wie
Action 2	34/19d. Whistleblowing survey postponed until 2020/21 T1.	DoF	asap
Action 3	35/19. RR confirmed.		wie

Action 4	35/19. More detail on risk actions to mitigate risks on some risks to be included.		
Action 5	35/19. Individual risks integral validity to be confirmed.		
Action 6	36/19c. S&G Cttee SAR to be considered.	Clerk	asap
Action 7	36/19f. E&D project to be added to IAS plan 2020/21.	DoF	
Action 8	36/19f. IAS Annual Plan as amended recommended to Corp.	Chair	08.07.20
Action 9	37/19. Ext Audit plan and fee recommended to Corp.		
Action 10	37/19. Ready cash reserve position tbd.	DoF	asap
Action 11	40/19. Additional meeting to be arranged.	Clerk	wie

The information was received.
Actions had been identified (Register at 09/20)

BUSINESS ITEMS

03/20 INTERNAL AUDIT RISK AND ASSURANCE (R&A)

There were 3 Fieldwork Reports from the 2019.20 IAS Plan, the Progress Reports for 2019.20 and 2020.21 and the Sector Update to consider.

- a. Subcontracting. The subcontracting work was an Education and Skills Funding Agency (ESFA) annual requirement and the necessary completion certificate had been achieved. The scope, approach, risk and significance of the fieldwork assignment was fully explained in the Report and informed detailed consideration of the Report, Green **“significant”** assurance had been given regarding subcontracting processes at WHC, accordingly, “governance, risk management and control arrangements provide significant assurance, that the material risks reviewed are managed effectively”. Three “low” category recommendations, relating to recent and additional ESFA requirements had been made, these were individually discussed agreed and accepted. A recommendation from the previous work in this area had not been implemented and had been included in the “follow up” report.
- b. Learner Records - Compliance. The scope, approach, risk and significance of the fieldwork assignment was fully explained and informed detailed consideration of the Report; the work had been completed remotely. Both Apprenticeship and Classroom Based Provision had been scrutinised:
 - (i) Apprenticeships. Amber **“reasonable”** assurance had been given regarding apprenticeship learner recording processes, accordingly, “governance, risk management and control provide reasonable assurance that the material risks reviewed are managed effectively. There are some areas where the adequacy or operation of controls in practice needs to be significantly improved”. Progress from the previous work (2018.19) in this area had been evident; of 11 recommendations, 4 from the Watford campus and 7 from Barnfield; 2 had been implemented, 5 partly implemented, 2 in progress and 2 outstanding. This latest assignment had resulted in one “high”, one “medium” and 2 “low” category recommendations related to the partially implemented former issues, which were individually explained, by campus, in the report. The high category related to students’ completion of off-the-job (OTJ) hours, a funding critical issue which was discussed in depth. Difficulties with recording often rested with the students themselves and it was important that they were urged to report regularly on completion of legitimate activities, which should be robustly tracked and monitored. All students were personally interviewed every eight weeks and the information was normally exchanged during this process. Governors were reassured that the auditors will review the implementation of the recommendations in this report in their follow up audit later in the year. College management will continue to remain alert to indicators that the 20% threshold might not be met and take mitigating actions as they deemed appropriate. The medium category recommendation concerned skill scans and was ILR related. All recommendations had been accepted; the high and mediums had completion dates by December, the lows for August, implementation of the latter would be confirmed in the “follow up” audit.

- (ii) Classroom Based. 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. Three “low” risk recommendations, all ILR related and linked to the previous report, were individually considered, accepted, responsibility allocated and completion dates identified.
- c. Risk Management – Advisory Report. The scope, approach and significance of the fieldwork assignment was explained and informed detailed consideration of the advisory report. As an advisory report, it contained no assurance or recommendations. The assignment had identified 7 opportunities for consideration in risk management and these were considered in turn. There was some feeling that the much improved and recently introduced RM environment should be more fully embedded before further refinement; IK offered support in this area. **(Action 3)** It was agreed that the information was valuable and would inform deeper discussion at a not too distant future opportunity, perhaps at an inaugural RM annual review? In response to recommendation in the report which suggested that the risk appetite applicable to categories or perhaps individual risks, should be considered, it was felt by the Committee that risk appetite had already been addressed in the policy. The report also suggested that the frequency of presenting the full register to the Corporation should be reviewed. Concentration on improving residual categories should take precedence over those with a “green” rating being made “greener”. It was agreed to bring a discussion paper to the next Committee meeting to outline which refinements might prove beneficial in the short term, and to allow any further debate necessary. **(Action 4)**
 - d. Progress 2019.20. Fieldwork for the 2019.20 plan had now been completed; the sole remaining report, on IT Infrastructure, would be brought to the next meeting but would remain as an element of the current year.
 - e. Progress 2020.21. Work on the current plan would begin in mid-October and the full programme had been tabulated; the HR assignment, which included the Equality and Diversity issue was noted. The IAS team expected that most reviews could be conducted remotely if necessary, although the estates management review may potentially be impacted if relevant campus sites cannot be visited. The IAS agreed to inform the committee if the scope of their planned work had been reduced by taking a virtual approach at any stage. **(Action 5)**
 - f. Sector Update. The IAS led a brief consideration of current issues in the sector. At a recent meeting of the ESFA Auditors Forum, the effect of the Covid related issues including the post lockdown financial state of colleges had been discussed. Whilst some had seen their finances improve it appeared that c20% had suffered badly. It was likely that the pause in ESFA Funding Audits would cease and they would be reinstated, but probably after the sector annual financial statements had been finalised. Recent Government statements indicated a welcome recognition of the role of the sector in re/upskilling the redundant workforce and the coming White Paper was anticipated accordingly. On the HE front the OfS was reinforcing the need for prompt reporting of breaches of financial covenants and reportable offences.

The information was received.

Actions had been identified (Register at 09/20)

CN left the meeting.

04/20 REPORTS

- a. General Data Protection Regulation (GDPR). There had been 3 “Access Requests” received: these were students seeking information on personal records. 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, both post-incident actions agreed as appropriate.

AuditMinutes 30.09.20.FinalRDEMcbS

Final Audit Report

2020-11-26

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