

## AUDIT COMMITTEE

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Minutes of the meeting of the Audit Committee held on Wednesday 15<sup>th</sup> March 2017 commencing at 9.30am in The Principal's Office, The White House, Easton Campus, Norfolk

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### **Present**

P Richardson	<b>PR</b>	Independent Member
H Rumsey	<b>HR</b>	External Member
R Sheasby	<b>RS</b>	Independent Member
P Thirkettle	<b>PT</b>	Independent Member
J Whyman	<b>JW</b>	Independent Member and Chair

### **In Attendance**

R Robson	<b>RR</b>	Director of Governance
M Wilkinson	<b>MW</b>	Director of Finance
C Dyble	<b>CD</b>	Director of Marketing and Student Recruitment
J West	<b>JWe</b>	Director of Funding, Reporting Services and IT
S Abbas	<b>SA</b>	RSM

### **Action**

- 1. Welcome and Apologies for Absence**  
JW welcomed all to the meeting. Apologies were received from David Redhead.
- 2. Declarations of Interest**  
No declarations were received in relation to items on this Agenda.
- 3. Timing of Agenda and items of Urgent Business**  
The Agenda was accepted and no additional items were received.
- 4. Minutes of the Meeting of 23<sup>rd</sup> November 2016**  
The minutes of the meeting held on 23<sup>rd</sup> November 2016 were reviewed.  
**Resolved:** to approve the minutes of the meeting held on 23<sup>rd</sup> November 2016 and to be signed by the Chair. Proposed by PT, seconded by RS. All in agreement.
- 5. Actions and Matters Arising**  
The open action tracker was reviewed. Both actions **agreed** complete.  
  
There were no matters arising.  
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- 6. Audit Action Plans**  
MW took members through the report on progress against audit recommendations, it was noted that this was the first review of the agreed form of 'by exception' reporting. MW confirmed that the actions arising from the reports on the agenda were not yet included, no low level actions were now reported but were still being progressed. The Chair confirmed that the

Committee would continue to seek reassurance that low level recommendations were being dealt with. MW advised that that the follow-up reports presented to the Committee would give the reassurance sought.

MW sought agreement that the ALS actions could be agreed complete and so removed. In relation to 1.4 a member queried whether the costing issues were now under control. MW confirmed that a member of the finance team had been assigned to deal with these issues and matters were now being dealt with as necessary. The Area Review implications for Foundation Learning were discussed. A member sought clarification on the wording of 1.3; the status did not support the action as being complete. Members felt more detail was needed to support the view that the action could be considered complete. MW confirmed that IAs will always look at the evidence before that confirm that an action is complete. Members requested that in future the owner of the action is present or available to the Committee to discuss any issues. It was agreed that 1.3 requires additional narrative before the Committee can confirm that it is complete.

**MW/  
MP**

A member raised a query on the apparent discrepancy between the minutes of the last meeting and the audit actions report in terms of the number of recommendations for the Student Journey, ALS and Payroll IA Reports. MW confirmed he would provide clarity on this after the meeting.

**MW**

**Resolved:** to confirm agreement to the removal of the completed actions 1.1, 1.2 and 1.4 from the plan. Proposed PR, seconded PT all in agreement.

## **7. Internal Audit**

SA took members through the IA Reports.

### **7.1 Progress Report**

The Chair queried the funding and eligibility data on page 24 of the report and asked if anything was of particular concern. SA confirmed that the areas of focus for high priority actions from IA reports was reflective of issues across the sector, nothing stood out as suggesting anything to be concerned over at EOC. A member raised concerns in relation to assessment of quality of provision, particularly in apprenticeships. The potential impact on reputation was raised. MW confirmed that the Audit Plan is set annually and if the Committee wants to add curriculum planning and quality to that it can be done. SA confirmed that this was an area that RSM could audit. Such audits are generally more advisory rather than providing an opinion. It was noted that the draft plan will come to the next meeting of the Committee. A member reflected that an Ofsted inspection was effectively an 'audit' of quality of provision, a 'mock' inspection could be commissioned whereas an IA report was likely to report on process and procedure not quality. CD advised that an Ofsted Inspection was expected at any time. The Chair suggested that this point was reviewed with RSM in the next Audit Planning meeting. The Committee were in agreement that a review of how to look at a review of quality was required.

**JW/  
MW/  
RSM**

### **7.2 Internal Audit Reports**

### **7.2.1 Effective use of Virtual Learning Environment (VLE)**

Sa confirmed that this audit had undertaken a review of how the College can maximise the use of the VLE. 4 medium and 3 low actions had resulted. Partial assurance has been given. The Chair noted a general theme of communication issues in the recommendations. SA confirmed that a lot of work is underway in this area. JWe took members through the work already underway and that planned for next year. A member enquired if sufficient funds had been spent in this area. MW reflected that the issue was not one of funding but of staff engagement. Members noted the cultural challenges still faced. A member queried the level of student engagement, JWe confirmed that further progress in this area was underway with the hope that students would in turn 'push' further staff engagement.

The Chair noted the strong curriculum focus at the meeting and requested that either Malcolm Ferguson or Lynsey Wilson attend the next meeting.

**RR**

Members expressed concerns about staff working in 'silos' and the need for joined up engagement that all staff were involved in. JWe confirmed the strapline for the College's digital strategy is 'Connect, work and share'. Members felt that engagement with the digital strategy should be a part of the staff appraisal process.

The Committee expressed the need for Corporation to be informed about the need to continue to increase standards across the College.

**JW**

### **7.2.2 Post Enrolment Lessons Learnt**

SA confirmed that an opinion of partial assurance had been given. 1 high, 2 medium and 3 low recommendations have been given. CD confirmed that all points raised had been taken on board by the College, she reflected that although the risk and review meetings had taken place this was not evidenced. Improvements in the enrolment process were noted. The Chair queried whether the pre-census loss of 7% of students was at or around benchmark =. SA advised the general FE sector BM would be 4-5% but he didn't have a BM for land-based. The difficulty in ascertaining the potential reasons for this were considered. CD confirmed that while it was possible to see from which areas the students were lost individual reasons were harder to confirm. Members were concerned about retention and the resulting financial impact on the College. It was noted a retention report would come to the next Corporation meeting.

### **7.2.3 Student Recruitment**

SA confirmed substantial assurance had been given with only 1 low recommendation given.

The Chair expressed concern over the partial assurances given in reports considered under items 7.2.1 and 7.2.2. SA explained that opinions of partial assurance and reasonable assurance were the two overall most common levels of opinion given in the FE sector. He confirmed that if required further/fastest follow ups could be undertaken in year to feed into the overall audit opinion.

**Resolved:** to approve the IA Reports. Proposed PT, seconded RS, all in agreement.

**8. Risk Management**

**8.1 College High Level Strategic Risk Report**

MW elaborated on the current issues with risk management. He confirmed that the audit work with RSM was no underway on this area, a planning meeting had been held and attended by the Chair of the Committee. He also confirmed that training for all directors and a change of the software was planned. This should all lead to the embedding of risk management. The Chair reflected on the problems with risk management over the last couple of year, he confirmed that the outcome of the RSM report and the points highlighted by MW would lead to a fresh start in this area. He asked RSM to confirm that the paper would be available for the June meeting. SA will seek clarification.

**SA**

Members reviewed the risk report. Concerns were expressed in the ratings allocated as the narratives given did not sufficiently set out the reasons behind all of the revisions. A member suggested that the report was now too compressed. The need for risk owners to be available to the Committee to discuss these issues was highlighted. The process undertaken to review risks and rescore was queried. The Chair suggested that the risk report be reviewed by the leadership team and brought to the next appropriate meeting of the Corporation.

**RR**

**8.2 College Assurance Summary Report**

This report sets out the lower level risks that feed into those considered under item 8.1. The need to ensure that the culture of risk management was embedded as integral part of College processes was highlighted by members, whatever form it was eventually agreed that report should take. The Chair emphasised his wish for the RSM report to be available to the next meeting to ensure that these issues could be progressed swiftly.

**9. AOB**

None

**10. Date of next Meeting**

Wednesday 14<sup>th</sup> June 2017 at 9.30am at the Otley campus

The meeting closed at 12 noon