

SANDWELL COLLEGE

Minutes of a Meeting of the Audit Committee
held on Tuesday 15th March 2016,
in the Room 6F/39, at Central Campus,
commencing at 8.00 a.m.

Present:- Mr. A. Scott (Independent) (in the Chair)
Mr. J. Britton (Independent)
Mrs. R. Jenkins-Crutchley (Independent)

In Attendance:-

Miss J. Berry Corporation Secretary
Mr. G. Pennington Principal and Chief Executive
Mr. D. Hawkins Executive Director for Finance and Resources
Mr. D. Holden Vice-Principal (part of meeting)
Mrs. K. Gentles RSM – Internal Audit Service

U16.01 Declarations of Interest U16.01

There were no declarations of interest.

U16.02 Apologies U16.02

Apologies were received from Mrs. Brook, Mr. Mahmood, Mrs Tweedie of RSM and Ms. Pal, Director of Funding, Information Services and Exams.

U16.03 Minutes of the Meeting of the Audit Committee held on Tuesday 1st December 2015 U16.03

The minutes of the meeting of the Audit Committee held on Tuesday 1st December 2015 were approved and signed by the Chairman.

RESOLVED: that the minutes be approved.

U16.04 Matters Arising U16.04

i) Financial Year-End 2014/15 (Vide Minute U15.41)

Members were informed that the Committee's recommendations regarding the financial year-end audit had been approved by the Board of Governors. The Members' Report and Financial Statements 2014/15 had then been signed by the Chairman, Principal and financial statements auditors and submitted to the Skills Funding Agency (SFA) by its deadline of 31st December 2015.

ii) Review of Appointment of Financial Statements Auditors 2015/16 and Performance Indicators for 2016/17 (Vide Minute U15.48)

Members were informed that the Board of Governors had approved the Committee's recommendation that Grant Thornton be appointed as financial statements auditor for 2015/16.

iii) Appointment of Internal Audit Service and Financial Statements Auditors 2016/17 (Vide Minute U15.49)

Members noted that the Board of Governors had approved the Committee's recommendations regarding the appointment of RSM as internal audit service provider and Grant Thornton as financial statements auditor for 2016/17.

The Executive Director for Finance and Resources informed members that the internal audit plan for 2016/17 was being considered by the Senior Leadership Team and would be presented to the next meeting of the Audit Committee.

U16.05 Internal Audit Reports 2015/16

U16.05

i) Framework for Safeguarding and Prevent

The internal auditor presented a report detailing the outcome of an internal audit review of the framework for Safeguarding and Prevent. The review had resulted in reasonable assurance with one low and three medium priority recommendations for management action. The medium priority recommendations were explained and discussed. The internal auditor emphasised that this was a positive report relating to an important area of the College's operations.

The Vice-Principal reminded members that OfSTED had undertaken a recent review of the College's Prevent Policy, which had resulted in a 'good' outcome. The Principal asked members to note that OfSTED had suggested that of the 40 colleges reviewed Sandwell would probably be within the top two or three with regard to the systems and processes that had been implemented. A member commented that the reviews by the internal audit service and OfSTED triangulated well.

RESOLVED: that the report be received.

The Vice-Principal left the meeting.

U16.06 Additional Audit Assignment - Subcontracting Controls

U16.06

The internal auditor presented a report that had been undertaken, outside of the internal audit plan, relating to subcontracting arrangements. Members were informed that this review had arisen as the SFA's funding agreements for 2016/17 had been amended to include an annual subcontracting assurance requirement.

The internal auditor informed members that this assurance requirement related to all colleges with subcontracting provision exceeding £100,000. The work programme for the review had been agreed with the SFA and it was noted that no formal opinion was required. Following the review the internal audit service had provided the College with a transmittal letter, which had allowed the College to submit a certificate (providing external assurance on subcontracting controls) to the SFA by 31st January 2016. It was noted that the SFA did not require a copy of the report although it could request one.

A discussion took place regarding the action points that had arisen from the review. The majority of these were as a result of the different approaches taken by Future Skills and the College with regard to subcontracting, which were being aligned. The Executive Director for Finance and Resources informed the Committee that many of the action points had been addressed.

The Principal clarified the reducing level of subcontracting being undertaken by the College, which related to adult provision or apprenticeships.

Members agreed that a report should be submitted to the December 2016 meeting of the Audit Committee updating members on implementation of the action points within the report.

RESOLVED:

- a) that a report be submitted to the December 2016 meeting of the Audit Committee updating members on implementation of the action points within the subcontracting controls report.

- b) that the report be received.
- U16.07 Internal Audit Progress Report 2015/16 U16.07
- The internal auditor presented a report detailing progress against the Internal Audit Plan 2015/16. Three internal audit reviews had been completed and a further three were planned. The outcome of the latter three would be presented to the next meeting of the Audit Committee.
- Members noted that the Principal had recently had a 'catch up' meeting with the Director of Internal Audit.
- RESOLVED: that the report be received.
- U16.08 Half Yearly Health and Safety Report U16.08
- The Executive Director for Finance and Resources presented the half-yearly Occupational Health, Safety and Security Report for 2015/16.
- Members were informed of the initiatives that had been introduced with regard to accidents and incidents, including risk assessments undertaken by curriculum teams. Members were reminded that the increase in medical incidents had arisen due to improved reporting through the security team.
- In response to a query regarding learners' behaviour members were informed of the increased security arrangements that had been implemented, together with the establishment of a Behaviour Group and discussions at learners' tutorials.
- RESOLVED: that the report be received.
- U16.09 Risk Register Report U16.09
- The Executive Director for Finance and Resources presented the Risk Register Report and informed members of changes that had been made to the risk profile since the last meeting of the Committee.
- A discussion took place regarding learners' behaviour and the Prevent duty. It was suggested that the College might wish to consider these issues further and determine whether or not the risk register should be amended.
- A query was raised with regard to English and maths provision and the Executive Director for Finance and Resources reminded members of new initiatives that had been introduced to ensure learners' attended classes.
- RESOLVED:
- a) that the College re-consider matters relating to learners' behaviour and the Prevent Duty and determine whether or not the risk register should be amended.
- b) that the report be received.
- U16.10 Register of Outstanding Internal Audit Recommendations U16.10
- The Executive Director for Finance and Resources presented the Register of Outstanding Internal Audit Recommendations. Members noted that there were only eight recommendations outstanding. The Executive Director informed members that the internal audit service would undertake a 'follow-up' audit in April 2016, which would check the progress of implementing the recommendations.

In response to a query regarding recommendations with a revised implementation date of July 2016 members were informed that the College would aim to meet this revised date although there were many other priorities to address during that period.

A member commented that the process for monitoring recommendations appeared rigorous and well managed.

RESOLVED: that the review of outstanding internal audit recommendations be received and noted.

U16.11 Any Other Business U16.11

There were no items of other business.

U16.12 Determination of Confidential Items U16.12

The Audit Committee agreed that none of its discussions should be minuted confidentially.

RESOLVED: that none of the Committee's discussions be minuted confidentially.

U16.13 Date of Next Meeting U16.13

The next meeting was planned to take place on Tuesday 21st June 2016, commencing at 8.00 a.m., at Central Campus.

The Chairman queried whether meetings commencing at 8.00 a.m. remained convenient to members and this was confirmed.

The meeting terminated at 8.42 a.m.