

SANDWELL COLLEGE

**Minutes of the Audit Committee meeting held on
Tuesday 19 March 2019 at 8.00am**

Present: J Britton (Chair) Independent
R Jenkins Independent
J Uddin Independent

Apologies: G Bassi Independent
G Pennington Principal

In attendance: J Bailey Exec Director, Finance and Corporate Resources
B Devitt Grant Thornton
D Holden Vice Principal
S Morom Interim Exec Director, Finance & Resources
E Scotford Clerk to the Corporation
L Tweedie RSM

		Action
U19.1	<u>Declarations of Interest</u>	
	JB declared an interest in any references to payroll services as the Chief Executive of Sandwell MBC and to the pension fund as a Board member of the West Midlands Pension Fund (WMPF).	
U19.2	<u>Apologies</u>	
	Apologies were received from Gurvinder Bassi and Graham Pennington and were accepted by Governors. Kamran Shaikh did not arrive.	
	RESOLVED THAT: apologies be accepted	
U19.3	<u>Minutes of the previous meeting held on 27 November 2018</u>	
	The minutes were agreed as a true and accurate record and were signed by the Committee Chair.	
	RESOLVED THAT: the minutes be approved.	
U19.4	<u>Matters Arising</u>	
	There were no matters arising.	
U19.5	<u>Internal Audit Reports 2018/19</u>	
	Presented by the internal auditor.	
U19.5.1	<u>Key Financial Controls – Cash and Banking (1.18/19)</u>	
	The remit of the audit was outlined. Overall it was a positive report with substantial assurance received. The recommendations made were all minor and low priority actions and steps are in place to address them.	
	Governors were pleased to receive this level of assurance for cash management.	

U19.5.2	FE Benchmarking of Internal Audit Findings 2017/18	
	Internal audit findings across the sector are reviewed with average numbers of recommendations categorised and summarised which enables colleges to compare their own control risk frameworks to others.	
	There has been a general increase in the number of recommendations across the FE sector related to the introduction of apprenticeships. Apprenticeships are audited in every college. There has been a similar rise in recommendations at the College but they were all low level actions so are not of concern. The priority was for them to be actioned in a timely fashion.	
	In benchmarking terms, the College is at a similar point to the vast majority of colleges. Governors were reassured by the information.	
	The auditors are revisiting the cyber security assurance which should enhance the framework but there are no major areas of concern at present.	
U19.5.3	Progress Report March 2019	
	The report offers an update on how the audit plan is being delivered. Other audits are profiled to come through in April and an update will be given to the July Audit Committee meeting.	
	Governors recommended the appendix on data security and IT protection be circulated to all staff.	VP
	Governors asked if there were any matters arising which needed to be incorporated into the risk register. The Internal Auditor confirmed there were none at present but the situation might change if there had been no progress on implementing the actions recommended in the apprenticeships and IT security audits.	
	RESOLVED THAT: the Internal Audit reports be received.	
U19.6	<u>Health & Safety Half Yearly Report 2018/19</u> Presented by the Vice Principal.	
19.6.1	The contents of the report were noted. The recommendations of a number of surveys have been implemented apart from one, i.e. fire plugs. The VP explained the requirement to plug any holes arising from any work in and around the College. Due to the nature of daily maintenance work this will be an ongoing task and will be constantly monitored.	
19.6.2	A clean fire report for Central Sixth has been received. The survey by the fire service acknowledged the College's fire plan was appropriate for the building.	
19.6.3	The Health & Safety Report previously included student disciplinaries. This is more appropriate to the work of the LQCC Committee so has been reallocated to that Committee's schedule of business.	
19.6.4 NFP		
19.6.5	The Vice Principal advised of plans in place to install barriers to mitigate the risk of vehicular access to the ramp at the front of the building to combat any potential terrorist threat.	

19.6.6	Referring to the graph of H&S injuries, although numbers remained low Governors asked if there was any pattern to the slight increase in injuries involving hand tools. The Vice Principal advised that they were all random accidents in the Engineering and Construction department but would instigate an investigation to see if they were based in a particular area. Appropriate training or intervention would be introduced if necessary to try to reduce the numbers still further. The Vice Principal would include an update in the next report.	VP
19.6.7	Governors believed the number of H&S incidents looked average at 23-24 and asked if any interventions were required to reduce the number and had the causes been considered with a view to improving the situation. The Vice Principal said this would be difficult to address given the number was quite small and the range of incidents quite wide and often ad hoc in nature. There is an increased number of students and staff on site which might also correspondingly impact the number of incidents.	
	RESOLVED THAT: the half yearly Health & Safety report be received.	
U19.7	Health and Safety Policy Presented by the Vice Principal	
19.7.1	The policy has been reviewed to incorporate Cadbury College and is now operational over all 3 sites. It is completely based on the Sandwell Policy and is up to date with any new legislation. Governors noted that the Committee had thoroughly reviewed the policy relatively recently so it did not need to be reviewed again in detail at this point.	
19.7.2	Governors stated it was critical to embed the new policy at Cadbury and asked how it would be communicated to staff. The Vice Principal advised that all policies were put on the intranet rather than issuing to all individual staff. The Safeguarding Policy was the main priority and was the only policy which was given individually to staff. All managers have a copy of the Health and Safety policy and it is displayed in staff rooms.	
	RESOLVED THAT: the Health & Safety Policy be approved.	
U19.8	Register of Outstanding Internal Audit Recommendations Presented by the Interim Executive Director, Finance and Resources	
U19.8.1	IT Cyber Security Framework	
	Governors noted that the overall responsibility lay with Roxana Pal, Information Services, Exams and Funding Data. The report contained the most up to date position given that many of the actions have been completed over the last week and the others are ongoing actions currently in train.	
	Governors pointed out that the audit was carried out on Sandwell but the problem and risk would have increased on the merger with Cadbury. The Interim Executive Director, Finance & Resources, advised that because of the outdated nature of the Cadbury IT system, Sandwell had begun incorporating its own IT system at the site even prior to the merger so Cadbury had now been brought up to the College's level with an associated increase in IT security. The IT budget has been increased to enable the IT systems for both sites to be brought up to the standard required.	
	The auditors advised that they were scheduled to carry out their follow-up on cyber security in May 2019. The Committee asked that the follow-up report on this area be available for the next Audit Committee meeting as there were some outstanding areas which were a concern so they required the assurance of the auditors.	IAS

U19.8.2	Apprenticeships Level 2 - High recommendations	
	Apprenticeships – actions for managers have been completed to the satisfaction of auditors. Apprenticeships are a concern for all colleges. The College will ensure it incorporates all the measures which have to be put in place.	
	The auditor pointed out that Ofsted were concerned that prices had not been adjusted for prior learning. A proper assessment must be carried out of any prior learning so a further reduction of price would be needed.	
	Governors asked for an update at the next meeting.	
	Roxana Pal to be asked to attend the next meeting to update Governors on these 2 areas.	SM/Clerk
U19.8.3	Actions on sub-contracting controls	
	The College has had no sub-contracting commitments this year.	
U19.8.4	Budget holder handbook	
	The handbook is now in place and has been circulated to managers. An Interim Management Accountant is in place and has been conducting training on the financial system with budget holders. The updated Financial Regulations were also reviewed and approved by the Board on 11 March 2019.	
U19.8.5	The internal auditors have followed up on a number of outstanding items requiring management action and have reiterated the importance of their completion. These relate mainly to learner numbers and admissions. These will be followed up again in April which will determine whether action has been taken or whether the recommendation has been superseded. Governors were happy to receive an update at the next meeting.	IAS
U19.8.6	Referring to sub-contracting arrangements, Governors asked what the strategic intent was. The Interim Executive Director, Finance and Resources, explained that the College no longer sub-contracted. It had been encouraged historically in the sector but was heavily discouraged now due to risk levels. The Vice Principal advised that the only reasonable area to sub-contract would be apprenticeships but because of their complex nature the College would not recommend or actively pursue that route.	
U19.8.7	The College had utilised all of its AEB budget. It was protected for 2 years from the point it was devolved to the WMCA but that was likely to change in future times.	
	RESOLVED THAT: Governors received and noted the Outstanding Items from Previous Audits report.	
U19.9	<u>Any Other Business</u>	
U19.9.1	Cadbury merger update	
	The auditors asked for an update on the merger. The Interim Executive Director, Finance and Resources, advised that it had exceed the College's expectations from a growth point of view. There were issues with Cadbury's infrastructure, IT and its quality of teaching. The Ofsted monitoring inspection had gone very well. The inspection had reviewed the plans in place. Student numbers already stand at over 800 and with another Open Day planned it was hoped they would exceed 1000. It was heading towards 1500 students. Birmingham City Council's closure of some school sixth	

	<p>forms has added to this increase. The College has been running a marketing campaign and the School Liaison team are working hard to reintroduce local schools to Cadbury. There is much potential for growth.</p> <p>Thorough due diligence had taken place for the merger which had revealed any issues in advance which might require attention.</p> <p>Ofsted's conclusion that reasonable progress had been made will lengthen the time to the next inspection. This will take place within 3 years of the date of merger and will be a full rather than short inspection.</p>	
	RESOLVED THAT: Governors and Auditors received an update on the Cadbury merger	
U19.9.2	Resignation of Jan Britton, Interim Committee Chair	
	<p>Governors were advised of the resignation of Jan Britton from the Board. Governors thanked Mr Britton for all his hard work and support as both Governor and as Interim Committee Chair.</p> <p>Governors discussed the need for continuity given the uncertainty that other members would be able to continue to serve on the Committee.</p>	
	RESOLVED THAT: Governors noted the resignation of Jan Britton.	
U19.10	<u>Determination of confidential issues</u>	
	<ul style="list-style-type: none"> • Cladding discussion 	
U19.11	<u>Date and time of next meeting</u> Tuesday 18 June 2019, 8.00am	

The meeting ended at 9.10am