

**SANDWELL COLLEGE**

**Minutes of the Audit Committee meeting held on  
Tuesday 17 March 2020 at 9.00am**

Present: J Tew Independent Governor (in the Chair)

In attendance: J Bailey Exec Director, Finance and Corporate Resources  
 J Carey PWC (Item U20.5 only)  
 L Goodwin RSM  
 D Holden Vice Principal (Item U20.9 only)  
 H Lillington Grant Thornton  
 E Scotford Clerk to the Corporation  
 L Tweedie RSM

Apologies: N Grace Independent Governor  
 G Bassi Independent Governor

		<b>Action</b>
U.20.1	<b>Declarations of Interest</b>	
	The meeting was not quorate but there were no declarations of interest from those present.	
U20.2	<b>Welcome and Apologies</b>	
	All present were welcomed to the meeting and introductions were made.  Apologies were received from Noel Grace, Gurvinder Bassi and Bill Devitt, Grant Thornton.  John Tew took the Chair.  The meeting was not quorate but because of the exceptional circumstances created by the Coronavirus it had been decided that the meeting would continue because there was no guarantee that a meeting would be able to be arranged in a timely fashion.  There were no agenda items requiring approval. There was information which could be gained from the meeting which would avoid a backlog of items to build up. Information could be passed on to the Board.  The Financial Statements Auditors and the Internal Audit Service agreed that the meeting should proceed albeit in a truncated fashion.	
	RESOLVED THAT: <ul style="list-style-type: none"> <li>• The meeting would continue as an information-sharing exercise as it was not quorate and there was no guarantee that a meeting would be able to be arranged in a timely fashion given the Coronavirus situation.</li> <li>• John Tew would take the Chair.</li> </ul>	
	DH arrived	
U20.3	<b>Minutes of the previous meeting held on 26 November 2019</b>	
	Approval of the minutes was deferred to the next meeting. Clerk to note for agenda.	Clerk
	RESOLVED THAT: approval of the minutes be deferred.	

U20.4	<b><u>Matters Arising</u></b>	
	RESOLVED THAT: Matters arising were deferred to the next meeting.	
U20.5	<b><u>ESFA Funding Audit</u></b> Presented by James Carey, PWC, by phone.	
20.5.1	The Exec Director, Finance & Resources, outlined the background to the audit. The Audit Committee and the Board had been briefed at the time of the audit on its high level summary and findings. The ESFA audit findings document itself has a standard layout and is not user-friendly. It was important therefore to give some context to the areas identified as non-compliant as well as explain how the College's audit compared to other colleges.	
20.5.2	The College had been selected at random for a risk-based audit focusing on certain trigger factors. The audit focused on 16-19 provision, the adult education budget, apprenticeships provision, and advanced learner numbers. A sample of over 180 learners was used.	
20.5.3	The key checks included: evidence of eligibility and existence of recognition of prior learning and assessment learning; start and end dates; consistency of register taking; ILR evidence of learning; and ensuring that hours for 16-19 were accurate based on timetables. On apprenticeships, negotiated prices for employers were checked as well as off the job training and its delivery.	
20.5.4	The overall objective was to check that learner records were accurate.	
20.5.5	The College team had to prepare samples in advance of the audit. Preparation time reduced to one week due to the ESFA condensed timetable. JC complimented the College on the quality of information provided.	
20.5.6	The first focus of the report related to high level compliance with the funding stream. A minor issue was identified with some learners having an end date that was out by just one day but it still had to be declared as non-compliant. It was important to understand the context and that other colleges were in the same position.	
20.5.7	A sample test was undertaken to identify if there were any wider systemic issues and none were found.	
20.5.8	Recommendations in the report show that it was a very clean audit compared to other colleges with only 2-3 areas requiring funding adjustments. This related to learners starting later in the year not being entered correctly.  Roxana Pal, Director, Information Services, Exams and Funding Data, and her team had identified areas and addressed issues. PWC was satisfied there was no wider systemic issue.	
20.5.9	The issues were minor and the College had one of the lowest error rates of all of audits completed by PWC. This was a very positive outcome for the College and resulted in a clean, unqualified audit on funding.	
20.5.10	Thanks were expressed to the Exec Director, Finance & Resources, and Roxana Pal and the team for the levels of support provided which had made for a smooth audit process. This had been one of the most positive audits PWC had conducted during the programme.	

20.5.11	<p>Governors noted the clean audit and appreciated that it was difficult to draw direct comparisons with other colleges as each had its own circumstances but the firm impression was that the College's result was much better than average.</p> <p>JC agreed it was. It is good practice for colleges to self-identify issues prior to the start of the audit. The planned hours issue was rectified quickly and there were very few other issues arising.</p>	
20.5.12	<p>The Exec Director, Finance &amp; Resources, thanked JC for his explanation of the audit and asked both sets of auditors if there were any points they would factor into their audit work.</p> <p>The IAS confirmed that internal audit work would ensure that compliance has continued around planned hours for this academic year. With regard to learner hours, identified in the last IAS report, 22 learners were sampled with no issues found. Apprenticeships will be revisited in the planned internal audit programme.</p>	
	<p>RESOLVED THAT:</p> <ul style="list-style-type: none"> <li>Governors received an overview of the ESFA Funding Audit.</li> </ul>	
U20.6	<b><u>Internal Audit Reports 2019/20</u></b>	
6.1	<b>Framework for Compliance with Legal and Regulatory Requirements – aspects of Health and Safety and Safeguarding and Prevent – 2.19/20</b>	
6.1.1	The IAS outlined their approach to the audit and the aspects covered which support legal and compliance regulations.	
6.1.2	Safeguarding processes at the College for identified learners at risk had been scrutinised along with the Board's oversight of safeguarding.	
6.1.3	Prevent follows specific guidance from the government which require colleges to ensure controls are in place to meet legal requirements.	
6.1.4	Overall, the control framework was in line with expectations with 4 Medium actions arising, resulting in a Reasonable Assurance rating.	
6.1.5	Governors attention was drawn to 2 areas of Medium action. The College needs to ensure that mandatory health and safety training has been undertaken by all staff. The Smart Log training system can be used to follow up any incomplete training. HR will manage this.	
6.1.6	Establishing a list of risk assessments – a number of risk assessments have been undertaken for different areas of activity but it would be useful to have a record that all had been undertaken therefore a centralised list was recommended to give assurance that all risk assessments were up to date in accordance with procedures.	
6.1.7	Issue of safeguarding leaflets should be incorporated into the sign-in process at Reception.	
6.1.8	Prevent – outside speakers – an assessment should be undertaken to establish if the individual is appropriate to speak at the College. This should be attached to the risk assessment for the event.	

6.1.9	Policies, procedures and processes were in place which led to a Reasonable Assurance being awarded and reflected a positive report.	
6.1.10	<p>Notwithstanding the 4 areas identified, Governors noted the Reasonable Assurance rating. Governors understood the suggestions and recommendations and recognised the need for a balanced and practical approach to implementation that staff and visitors would follow to ensure compliance.</p> <p>The Exec Director, Finance &amp; Resources, agreed and confirmed that health and safety provision was thoroughly tested with practical actions put in place. Management have taken on board the recommendations and compliance measures will be put in place as soon as possible. The College was in a strong position with a highly experienced Health &amp; Safety Manager in post.</p>	
	<p>RESOLVED THAT:</p> <ul style="list-style-type: none"> <li>Governors received the Internal Audit Report: Framework for Compliance with Legal and Regulatory Requirements – aspects of Health and Safety and Safeguarding and Prevent – 2.19/20</li> </ul>	
6.2	<b>Internal Audit Progress Report</b>	
6.2.1	The changes to the report's layout suggested by Governors at the previous meeting had now been incorporated. The report was shorter, with reporting by exception and key points highlighted in the Executive Summary.	
6.2.2	The IAS progress report was broadly in line with expectations.	
6.2.3	With regard to the Coronavirus situation, the IAS has recommended to all its clients that they plan ahead to be able to give sufficient assurance to the Board to underpin annual assurance. Audits can be conducted via a secure electronic portal and online interviews. It might not be possible with some areas but this will be discussed on a case by case basis.	
6.2.4	It is intended that the audits will continue as planned. Contingency plans are in place to enable staff to be able to upload documents to Sharepoint remotely.	
	<p>RESOLVED THAT:</p> <ul style="list-style-type: none"> <li>Governors received the Internal Audit Progress Report.</li> </ul>	
6.3	<b>FE Benchmarking Report</b>	
	The IAS explained it was difficult to provide a direct comparison benchmark report because every college has different audits each year but the overall control environment compared to others is positive. In 2018/19 the College had only one assurance report, the rest were revisited suggestions for 2018/19.	
	<p>RESOLVED THAT:</p> <ul style="list-style-type: none"> <li>Governors received the FE Benchmarking Report.</li> </ul>	
U20.7	<b><u>Summary report on the outstanding actions from internal audit including GDPR</u></b> Presented by the Exec Director, Finance & Resources.	
20.7.1	The item had been added to the agenda at the request of the Committee Chair.	

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20.7.2	Many GDPR plans to be put in place by the end of 2019 had been pushed back to the end of the 2019/20 academic year with the IAS follow-up planned for May 2020.	
20.7.3	The report which noted the progress to date was noted.	
20.7.4	The IAS would update the next meeting on progress made on GDPR to underpin testing.	IAS
20.7.5	It was noted that significant steps forward have been made but there continued to be ongoing elements of work.	
	RESOLVED THAT: <ul style="list-style-type: none"> <li>Governors received the Summary report on the outstanding actions from internal audit including GDPR</li> </ul>	
U20.8	<b><u>Risk Management Monitoring Report</u></b>	
20.8.1	A front sheet has been added to make it easier for Governors to note any change to the risk scores. There had been no changes since the Board meeting on 9 March 2020.	
20.8.2	Two high priority risks had been added to the Risk Register at the request of the Board: Ofsted and the Coronavirus, with Ofsted being the top priority.	
20.8.3	It was acknowledged that the situation regarding Coronavirus was changing daily and the College's approach was dependent on government advice. It was anticipated that schools and colleges would soon be instructed to close. Regular updates would be provided for Governors.	
20.8.4	The IAS advised that Coronavirus had been added to Risk Registers and continuity plans with 2 main areas of concern raised by other colleges: <ul style="list-style-type: none"> <li>Whether the IT system could handle the additional requirements to work virtually and remotely and if there were enough licenses.</li> <li>SLT should not hold physical meetings to avoid the potential for all to be off sick at the same time. Strong leadership was needed in difficult times.</li> </ul>	
20.8.5	The Exec Director, Finance & Resources, confirmed that plans were being formed to address these and other areas. The College was looking to prioritise its Business Continuity and Business Critical areas and ensure that sufficient IT was set up to support those who had not previously worked remotely. It was highlighted that many learners do not have access to the internet at home which would affect their ability to access a virtual learning environment. The College was doing as much as it could and would prioritise accordingly.	
20.8.6	Clearer guidance was needed from the Government about exams and how learners' qualifications would be affected.	
20.8.7	Governors acknowledged these were unprecedented times and colleges could only plan as far as possible in a constantly changing situation. Strong leadership decisions have been taken following formal guidance from government and the education agencies. Adjustments would be made where necessary to minimise disruption but it was likely the situation would have unavoidable wide-ranging impact.	

20.8.8	Fraud planning – the Exec Director, Finance & Resources, advised that part of the new requirement from the Audit Code was that a Fraud Policy was needed. A counter-fraud strategy is far more pro-active as it assesses an area of business susceptible to fraud and provides a level of awareness. Example of a proactive strategy used by another education organisation to be provided by the IAS.	IAS
20.8.9	The DfE publishes a report on fraud in the wider education sector than purely FE. Copy of report to be sent to JB.	IAS
	RESOLVED THAT: <ul style="list-style-type: none"> <li>Governors received the Risk Management Monitoring Report</li> </ul>	
U20.9	<b>Health &amp; Safety Report</b> Presented by the Vice Principal	
	A thorough discussion on the Health & Safety report had taken place at the Board meeting on 9 March 2020. There had been no updates to the report since that date. There were no particular concerns to highlight to the Committee, with any incidents following the same pattern as previous years.	
	A communication to Governors on the Coronavirus was planned.	
	RESOLVED THAT: <ul style="list-style-type: none"> <li>Governors received the Health &amp; Safety Report</li> <li></li> </ul>	
U20.10	<b><u>Any Other Business</u></b>	
	There was no other business.	
U20.11	<b><u>Determination of Confidential Items</u></b>	
	There were no confidential items.	
U20.12	<b><u>Date and time of next meeting</u></b> <b>Tuesday 16 June 2020, 8.00am</b>	

The meeting ended at 9.45am