

Meeting/Committee	Audit & Risk Committee
Date of meeting	28 th April 2021

1 Declarations of Interest and Eligibility

The Chair requested Governors declare any interests at the appropriate time during the meeting.

2 Welcome, introduction and Apologies

Attendees:

S Bulley (Chair)

G Owen

J White

In attendance:

C Mollart

K Noble

T De'Ath

D Watson

L Smith

Head of Corporate Services

Executive Director of Finance

Executive Director of Corporate Services

Grant Thornton

RSM

Apologies for absence

J White

3 Minutes of the Audit & Risk Committee held on the 2nd March 2021

Resolved: The minutes of the meeting held 2nd March 2021 were agreed as true and accurate record.

4a Matters Arising for meeting held on 2nd March 2021

None noted other than those on the agenda.

4b) The Action Plan was updated accordingly.

5 Internal Audit Report

LS advised that there are three final reports to discuss, along with the usual progress report.

5.1 Self-Assessment Report

LS advised that the review of the Self-Assessment Process had taken place and she was pleased to report that there were no issues or action that need to be taken by management.

LS said that it was extremely clear that a lot of work had gone into this process in terms of streamlining reports. LS said that the review showed that the Assistant Principal's completed their own Self-Assessment reports throughout the year and then this combined into the Groups overall Self-Assessment Report. LS said that there were no inconsistencies found between the two.

LS advised that the Self-Assessment Report and QIP are presented at the Q&S Meeting prior to Board which provided good assurance of governance processes.

5.2 Budgeting & Forecasting

LS advised that this review has taken place, as in other colleges, as part of the financial stresses placed on Colleges/the Group through Covid.

LS confirmed that the review demonstrated robust processes are in place in terms of setting the original budget at the start of the year and then linking back to Curriculum Planning process.

LS advised that review showed regular challenge and scrutiny of the budget prior to approval followed by monthly reviews.

Action

There was one agreed action with management relating to stress testing. Currently this takes place at the mid-point of the year but the recommendation is for this to take place during the overall budget setting process. This is an extra measure due to the financial constraints currently placed upon the sector.

External audit will scrutinise this as part of the Going Concern.

Governor Response

The Chair asked if this was going to be implemented imminently, the ED : Finance advised that this had taken place at Christmas prior to the accounts being signed off and would also take place in June/July.

GO asked about the key indicators and reviewing performance. LS advised that the budget monitoring does happen on a monthly basis. The ED : Finance advised that monthly reviews take place along with regular covenant reviews. Reports are provided monthly to the Finance Committee advising of all aspects of performance.

5.3 Apprenticeship Enrolment

LS advised that the management team had asked for this review to take place as concerns had already been raised regarding this process in terms of delays at certain points within the process.

LS advised that there are regular funding agency changes which do have an impact on the process and it is important that these are picked up and any tweaks to the process made accordingly.

LS advised that it was important to note that ProEngage has only just been rolled out across the group so is in its infancy.

Action

LS advised that Apprenticeships Enrolments (from August 2020 onwards) were reviewed and four areas for improvement/actions were identified as follows :

- Some of the stages have not been set-up as effectively as they could have and are dependent on the stage before being completed. LS advised that there are some processes which can take place in tandem which therefore speeds up the process and does not delay the starting point for the learner. This has affected the signing of the Apprenticeship Agreements and impacts on funding.
- LS explained the issues relating the pricing breakdown and advised that the recommendation is that the Contract will be updated going forward to ensure it contains all of the requirements of the funding rules including new rules such as the inclusion of the price breakdown.
- LS explained about the 'Off the Job' requirements and recommendation that the Group will ensure that the OTJ delivery plans will meet the calculated requirements for each learner (e.g. delivery plans will cater for learners with higher weekly contracted hours).
- LS advised that the review identified that the co-investment was not being recorded in the learner record system. The recommendation is that the Group will establish a process for the MIS team to be made aware of co-investment payments being received and this being recorded in the ILR.

The ED : Finance updated on the current progress since the review. The ED : Finance advised that she has taken ownership of the process, to which five teams have an input. The ED : Finance advised that the process has been fully updated and reviewed along with all those members of staff who are involved. They will all have signed off on KPIs and have agreed to complete ownership of their part in the process. This will be monitored on a monthly basis.

The ED : Finance advised that this process will also be presented to the Q&S Committee.

Governor Response

GO asked about ownership of the process. The ED : Finance advised that she had worked with the new Assistant Principal for Apprenticeships, Business Innovation and Higher Level Skills to ensure that the process works across all areas.

The Chair asked about co-investment and the process, LS advised that it was a communication error and this had now been resolved.

The Chair asked about the risk to funding, LS explained about the risk and how this will be monitored.

5.4 Progress Report

LS presented the report which was a summary of the three previous reports presented.

LS advised that the internal audit team are currently undertaking the ESFA Funding Compliance review.

LS advised that the Audit Plan would be complete by the end of the academic year as agreed.

6 OfS Report & Actions

The ED : Finance advised that all 'green' actions are complete along with action points 6 and 23 which are also now complete.

The ED: Finance advised that all the actions are on target to be achieved against the timeline set.

7 Audit Recommendations Report

The ED: Finance advised she had summarised the Audit Recommendations and included within the spreadsheet. The OfS actions would be added into the same spreadsheet.

Action

ED: Finance to add OfS actions to document.

8 Health and Safety Report

The ED Corporate Services presented a report on the actions relating to H&S.

- Fire Marshall training had taken place, the target date for this had been adjusted to 31 May 2021 as future training was to be delivered via an online package.
- Risk Assessments have all been completed and signed. The new Curriculum Manager at RC has influenced some further changes via his industry knowledge and Risk Assessments are being amended as appropriate.
- The Health & Safety Team will have combined all the risk information and the ED: Corporate Services will have sign off by next week.
- The Covid Test Centres have significantly reduced as self-testing kits have now being distributed to students.

GO asked about the Fire Marshall Training and overall control of groups. The ED Corporate Services explained the Fire Marshall role but that the Estates/Facilities staff will have overall accountability.

9 Risk Management

(i) Risk Register 2020/21

Nothing of significance to note during this meeting.

The review of the process is currently taking place and data transfer over to the new system.

(ii) Software Rollout Update

The ED : Finance explained the progress with the rollout, sessions booked for the College Management Team to be trained during June and with full rollout by July.

10 Audit Service Sector Update

DW advised of the new Audit Code of Practice which has been released by the ESFA. DW explained the significant change which would affect the external audit. The ESFA have previously provided funding confirmations but this has now been removed which impacts on the work of the external audit team to recognise the revenue in the accounts. This is a sector wide issue and is a recent change, Audit Companies are currently working through the change to determine how they will get assurances.

DT said that by the next committee meeting hopefully there will be more clarity and a further update can be provided.

LS said that they would be working with external audit to see how they can work together to help with these changes.

LS advised of the AEB clawback reduced to 90% - impact on colleges has been significant. The ED: Finance advised that current position in relation to the clawback of AEB and effect on the group and specifically the covenants.

LS advised that there were no major changes to the Audit Code of Practice in terms of internal audit. Internal Audit is still not mandated but strongly recommended.

LS advised regarding Sub-contracting report, changes have been made which means the report must go to the Board prior to being considered by the Audit Committee and then this has to go to the ESFA. This could create a problem due to timings of meetings.

LS advised that further changes are happening across the sector which the ESFA are still working through.

11 Fraud, Irregularity and Whistleblowing – 2019/20 Report

Nothing to report.

12 Any other items of urgent business

No items.

13 Date & Time of next meeting

Wednesday 16th June at 5pm.

Signed _____ Chair

Date _____