

Meeting/Committee	Audit & Risk Committee
Date of meeting	2 nd March 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:

A Phillips (Chair)
S Bulley
J White

In attendance:

V Parkes	Director of Governance
K Noble	Executive Director of Finance
T De'Ath	Executive Director of Corporate Services
D Watson	Grant Thornton
L Smith	RSM
R Barnett	RSM

Apologies for absence

G Owen

3 Minutes of the Audit & Risk Committee held on the 16th September 2020

Resolved: The minutes of the meeting held 16th September 2020 were agreed as true and accurate record.

4a Matters Arising for meeting held on 9th December 2020 & 21st January 2021

None noted other than those on the agenda.

4b) No further actions as part of the progress report that are not covered under the Agenda.

5 Internal Audit Report

LS introduced Rob Barnett who is the new head of internal audit from RSM.

16-19 and AEB Enrolment Review

LS gave an overview of a report relating to 16-19 and AEB and noted that a review of apprenticeship enrolment is starting next week

The highlights from the report include:

- Impact of COVID on the way enrolment takes place.
- How have the new processes and procedures been communicated to tutors and complied to.

Findings:

- Guidance has been issued to staff; however
- Upon speaking to staff it was determined more training and development is needed to support this in practice including case studies. This has resulted in a medium priority management action being assigned.
- A technical issue didn't allow for the online enrolment learners to check the box to state they were completing declarations. Now need to revisit all learners who couldn't sign the self-declaration. ESFA auditors rely on the declarations being signed to confirm eligibility for funding. This has resulted in a high priority action as it relates to funding.

It was noted that during the audit there were a number of good areas of practice seen which included the communication to students prior to and during the enrolment process podcasts, taster days etc. There was a lot of keep warm material sent out also.

Governor Response

The chair queried whether the action relating to the high priority is one or two actions?

LS stated that this was the case. The first being to chase up all learners who were unable to self-declare and the second being an action to fix the technical issue to ensure this doesn't cause an issue moving forward.

The Chair queried whether or not it is possible for MIS to run a report which quickly identifies those who have not been able to sign their declaration online.

Action: ED Finance to check with MIS/data team whether or not they are able to pull a report which contains those students who haven't completed the declaration.

SB queried whether or not this will be the same process going forward.

ED: Finance stated there will be many elements of online enrolment kept moving forward as it brings many benefits such as not having 1000s of students queuing in reception.

JW stated that it is very positive to be able to offer this in the future allowing enrolment to take place over a period time.

Curriculum Planning

LS stated this was a very positive report with several areas of good practice noted. An overview of the report was given and the highlights were summarised as:

- Curriculum planning process and in particular how it starts with a curriculum visioning day
- Evidence of lots of guidance being issued around course costing sheets a positive.
- Lots of research to complete the costing sheet including the course content, outcomes, historic achievement and the requirements of local labour market.

There were two low priority actions raised as a result of the findings:

- The guidance issued in completing the course costing sheet states that a rationale must be provided where a course doesn't achieve a financial contribution of 55% or higher. Auditors found an instance where one course had still been confirmed despite not meeting the threshold or having a rationale.
- A panel of senior staff including the Chief Executive Officer (CEO) and Principal, Director of Finance and Assistant Principal, meet to discuss each course and ensure that the intent of the course is clear, and that it is financially viable to run. A spreadsheet detailing courses that were not deemed financially viable is retained. Auditors stated their review confirmed that the approval discussions for academic year 2020/21 were not recorded in order to evidence discussions and provide the rationale for why each course was or was not included in the provision.

Governor Response

The Chair noted that is very positive to see such a good report which is 'green' and asked that thanks be given to the curriculum team and asked that this be reported up to the board.

Planning Report

RB gave an overview of the report noting that its purpose is to give governors an update as to progress in relation to the plan. Reference was drawn to the two reports completed and referred to above. The next report due is the Self-Assessment Reporting and this will be made available at the next audit committee meeting.

The remaining reports have already been scoped and agreed and despite these being completed via remote working RSM are confident they will be able to deliver all reports as agreed and on time. There are no changes to the plan to report.

RB also noted that a number of client briefings from RSM have been included within the appendices section.

FE Benchmarking Report

LS stated this is purely for information and that some clients like to be able to benchmark themselves against peers. Attention was drawn to RNN Group's being significantly higher than the average for internal assurance levels for no assurance. This has been calculated in for all of RSM's further education client base of 67 institutions across the 246 assurance reports issued. This is due to the no assurance opinion provided for the 1.19/20 Risk Management and 7.19/20 Health and Safety reports. It was noted that this is for information purposes.

The Chair stated there is an opportunity to dramatically improve on the benchmarking report quite quickly based on completion of the management actions arising from the two highlighted reports.

LS stated she would like thank to college management for cooperation during completion of the annual report and internal audit plan for 2019/20.

6 OfS Report & Actions

The ED: Finance gave an overview of the audit report and actions arising from their findings. It was noted that at the start of the process it became clear very quickly that the ILR data being returned wasn't going to be up to the standard expected. It is thought that this is down to there being some confusion in completing the ILR, especially around which fields were mandatory vs those which could be left blank.

The report contains a 24 point action list with timeline which has been discussed with the executive team and a meeting is scheduled with the Head of MIS who gives assurance that the timelines will be met. Potentially this could incur a fee although there is nothing to suggest that we will be charged at this stage. The thought is that if the timescales set are adhered to then there shouldn't be a penalty fee imposed.

Governor Response

The Chair queried the process and the powers of the OfS and what the options are to appeal should a fine be issued. The ED: Finance stated that when they met with the auditors there were no tangible parameters set which could be used to issue a fine.

The ED: Finance stated that some actions have already been completed and the newly appointed ILR manager is ensuring these are completed. The Chair stated that whilst she doesn't feel that a fine will be imposed on the Group now caution must be given to a charge being issued in the future if the action list is not completed.

The ED: Finance stated that the action plan to complete all action set has been returned to the OfS as requested but there is no response as of yet.

The Chair also asked whether there is value to be added by internal audit checking through the list of actions and to ensure they have been completed satisfactorily. The ED: Finance stated that it would be useful to have some assistance to ensure that actions are completed properly.

RSM have seen similar reports but they have not seen any colleges who have been removed from the register however they are warning that this could be the case.

A conversation was had regarding the level of involvement and this could be done as a follow up review on the actions.

SB queried when the next data return is. The ED: Finance confirmed that this has already been sent. They go monthly for the ILR. Confirmation was sought to ensure that a process was in place to check through the data for 19/20 now that the issues are known. The ED: Finance stated there may be some legacy issues arising from the enrolment data.

JW sought confidence on being able to complete the actions and how long they should take to resolve. The ED: Finance stated that nothing had been raised as a concern and all should be relatively straight forward to resolve.

Action: ED: Finance to explore the option of RSM being involved in the spring term and to come back to the committee with a plan and the associated costs.

Action: Revisit the actions again with the Head of MIS to check the actions are achievable.

7 Audit Recommendations Report

Nothing further to add other than the ED: Finance stated that she is going to put the actions from OfS report on to a separate tab so all actions/recommendations are contained within the same document.

Action: ED: Finance to add OfS actions to the audit recommendations report.

8 Health and Safety Report

The ED Corporate Services presented a report on the actions relating to H&S. It was noted that progress has been made towards the actions however the fire warden safety training has been delayed several times due to the latest lockdown.

The Chair explained that for now H&S is to be considered by the audit committee until the actions are completed at which point it will be handed back to the finance committee to monitor.

Action: The audit committee will continue to monitor the health and safety report and the progress made against actions arising from the internal audit until it is deemed in a position to be handed back to the finance committee for their monitoring.

9 Risk Management

(i) Summary of Urgent Risks

No urgent risks noted.

(ii) Risk Register 2020/21

Nothing of significance to note during this meeting.

(iii) Software Rollout Update

Order placed with RSM to order the risk management software. Meeting taking place in the next week to consider current internal processes. The Chair noted that this is the start of a long process and that there will be a need to split strategic risk from operational risk and initially there may be a mixture of the two. Reporting will be available from the new system. LS recommended that there is still a summary report to support the reports to focus the mind. LS stated that it is possible to give members a demonstration of the system should this be required.

10 Audit Service Sector Update

Nothing from GT or RSM to report.

11 Fraud, Irregularity and Whistleblowing – 2019/20 Report

Nothing to report. The Chair feels that this is something that perhaps needs to be communicated.

12 Any other items of urgent business

The ED: Finance gave thanks to the Chair for all of her support during her time as Chair of the audit committee. The Director of Governance extended thanks on behalf of the governing body to the Chair for all of her work and commitment to the audit committee and wider governing body during her tenure. The Chair expressed her gratitude and gave best wishes to the corporation for the future.

16 Date & Time of next meeting

Thursday 20th April 2021.

Signed _____ Chair

Date _____