

## Minutes of a meeting of the Audit Committee held on 29<sup>th</sup> April 2019 in FO27 of the College.

Present: Robert Milburn (Chair); Norma Boyes; Denise Rollo; Stuart Williams  
Apologies: Claire Madden

Also present: Karen Wilson, Deputy Principal; Jane Murray, Tmp Clerk  
Until Minute No 20/19: Patrick Clark, Icca ETS, Internal Auditor;  
Karen Rae, Armstrong Watson, External Auditor

### **12/19 Minutes**

**Resolved** - that the minutes of the meeting held on 28 January 2019 be approved and signed as a correct record.

### **13/19 Declarations of Interest**

None received.

### **14/19 Internal Audit: Business Support Benchmarking - confidential**

The internal auditor noted that this was an advisory report and that it was intended to give a steer of areas for more consideration, but that it should not be viewed in isolation.

Their methodology included adjusting the median according to income, which in some cases could throw up some anomalies...as some roles would be required no matter the college and would not be dependent on income.

Headlines were that support costs were £569,000 lower than the similar size median and 32.6 FTEs lower than the similar size median.

In terms of non-pay costs, IT was significantly higher, but this would be undoubtedly due to the IT cyber attack in 2017-18.

In spite of some anomalies, the committee felt that the College had achieved what it set out to do and that it was operating at an efficient base.

Some concern was expressed over some student-facing roles being lower than the median in some instances, and while this may be owing to some anomalies, this would be part of the overall reflection. It was certainly true that the operation was now very lean which meant that the College had to secure growth to be sustainable.

The Committee also noted a higher level of staff development which they felt was positive.

### **15/19 Internal Audit: Learner Records and Funding**

This was similar in nature to the two ESFA audits that had taken place recently. Substantial assurance was received. There had been 1 medium and 1 low recommendation around.

As a result of the recommendations, discussions ensued about the current challenges of ensuring the accurate monitoring of apprenticeship training and in particular noting the challenge the sector as a whole was facing in respect of recording off-the-job training. There had been similar issues of visibility in respect of NCT training. The college had recently bought software, Salesforce, which would assist with visibility and was being currently embedded.

It was suggested that the challenges facing apprenticeship provision be added to the risk register as there was the potential for clawback of funding in the event that the funding rules were not being observed.

### **16/19 Risk Policy Review**

Following discussion at the Board meeting, the risk policy and appetite were brought to the Audit Committee for review. The Committee noted the proposed changes and were content to recommend the policy to the Board.

In respect of the Risk and Opportunities Registers, it was requested that the programme management contract to be let by Sellafield be added to the opportunities register.

### **17/19 Admissions and Recruitment Processes**

Arising from a previous audit recommendation, the Deputy Principal presented an overview of the work ongoing on refining recruitment and admissions processes and would present another update on this subject, following the 2019-20 recruitment round.

There had been significant review of interview processes, which would endure through late application processes at the start of the following year. Applications were now up by 31%, but experience showed that such increases were difficult to convert as the challenge was to change the mind set from fall back option to first choice.

The Committee noted the progress being made.

### **18/19 Regularity Audit 2018-19**

The committee noted the changes to the regularity audit for 2018-19, with a greater focus on fraud strategy and prevention. This would require a review of financial regulations and associated policies – all key points were currently covered, but some areas could be strengthened.

### **19/19 Audit Tracking Report**

The Committee received and noted the progress being made in respect of audit recommendations. They noted that some of the IT recommendations made might have to be deferred as capital spend was likely to be taken up with boiler replacement.

The committee requested an update on the situation with payroll and were assured that issues were being addressed and consideration being given to future arrangements.

### **20/19 Internal Audit Plan 2019-20**

In considering the internal audit plan for the following year, the Committee had no further comments to make.

*The Internal and External Auditors left.*

### **21/19 Confidential Session**

**Agreed** - To move into confidential session.

### **22/19 Tenders – confidential**

**Resolved** – that the minutes of the special meeting held on 14 March 2019 (approving the outcome of the external audit tender) be approved.

**Agreed** – that following evaluation of the tender, the Committee recommend to the Board the re-appointment of Icca ETS as internal auditors for a 3-year period (with a renewal option of +1 year +1 year).