



Minutes of a meeting of the Audit Committee held on 3<sup>rd</sup> February 2020 in room FO27 of the College

Present: Robert Milburn (Chair); Denise Rollo; Norma Boyes; Stuart Williams.

Apologies: Elaine Clinton

Also present: Karen Rae (External Auditor); Patrick Clark (Internal Auditor); Karen Wilson (Deputy Principal); Jane Murray (Clerk)

### **01/20 Minutes**

**Resolved** – that the minutes of the meeting held on 25 November 2019 be approved and signed as a correct record.

### **02/20 Declarations of Interest**

None received.

### **03/20 Internal Audit: Apprenticeships and Curriculum Strategy**

The Deputy Principal accepted that there were some very valid recommendations made, but, in response to questioning, also felt that the report had not reflected the verbal feedback given that the Lakes College system was one of the best the auditor had seen in the sector. In discussion around the type of audit, it was felt that in future, this kind of audit should be advisory (agreed in advance during discussion of the internal audit plan).

This audit gave reasonable assurance. There were four medium recommendations, 1 low and 1 advisory.

While it was acknowledged that the training advisors working with apprentices had targets set, it was felt that they could be more sales driven in the field. It was a complex picture, but agreed that targets could be reviewed.

The second recommendation focused on incentive payments to employers received via the ESFA and that more checks should be made before it was passed to the employers. It was felt that checks were made before payments completed, but that the process could be made more formal.

The third recommendation made was to give greater visibility in the management accounts to the contribution of apprenticeships. The Deputy Principal had been moving this way by separating out classroom and apprenticeship delivery to give greater visibility and this work was ongoing.

The apprenticeship contribution for Lakes College was thought to be 42% in 2018-19, against a benchmark of 40% in the sector. When it was felt that there was sufficient separation, this would be added to the Management Accounts.

A further recommendation was made to have an apprenticeship strategy, setting targets for learner numbers and financial performance. It was felt that the strategic plan gave the framework, supported by the financial plan. Sales staff do have individual targets, but it was accepted that individual targets could be more transparent and it was intended to use Salesforce in 2020/21 to achieve the visibility.

A category of 'unranked' in the apprenticeship tracking system was raised as a potential issue. However, this was owing in some instances to a timing difference between the Training Officer seeing the learner complete and the claim for achievement. The category was also used as a flag to check why the learner is unranked. A training officer had been recruited for each of the construction trades, which had addressed some issues in construction. In addition, a process of sample data quality checking would be introduced.

The final point made was that progress in relation to the start point of the apprenticeship learner could not be viewed through the electronic monitoring system. The committee was assured that progress can be reviewed through the Learning Assistant portfolio system. However, the electronic form being referred to would be changed in discussion with the company providing the software.

Implementation of the recommendations made would form part of the audit tracking report.

#### **04/20 Capital Strategy, Estates Management and Space Utilisation**

This audit gave substantial assurance, with 1 medium and 1 advisory recommendation.

The condition of the estate compared favourably with benchmarks, with 50% in nearly new; 24% in good and 26% in operable condition (0% in inoperable). Good and operable conditions were to be found in the main building, with the National College for Nuclear and Construction Skills Centre all classed as nearly new.

The recommendation made was to refresh the Property Strategy, with a view to improving flexibility and commercial letting, the latter as a means to generate income to support the self-financing of other capital projects.

The Deputy Principal was intending to do an options appraisal for Governors. It was asked what major maintenance or replacement was anticipated, and the Deputy Principal thought that the lifts were reaching the end of their life span and that the floor in the sports' centre could do with replacement.

As part of the audit, it was also suggested that an 'Estates Procedure Manual', currently under development, would achieve greater efficiency in reactive maintenance.

## **05/20 Internal Audit: Health and Safety**

An audit of health safety had given reasonable assurance.

It was noted that an action plan was in place which was regularly discussed with the Manager, but suggested that actions, and progress, should be dated.

A further recommendation was made that all workplace appraisals were held in the same place. This was noted, but explained that the Salesforce system had only been introduced in the past year and would need to discuss with the developer to whether this could be adapted.

A further recommendation was made in respect of keeping Workplace Assessments up-to-date (health and safety in this respect is the responsibility of the employer, but the College checks to verify arrangements are in place). It was noted in response that workplace assessments were made at the outset of a placement and regularly reviewed, but there could be some timing issues between when a visit was due and the review of the workplace assessment. There would be work done to reschedule reminders.

Finally, it was recommended that accident forms should include a grading for injury type by severity which was accepted.

It was verified that the recommendations made would be monitored through the audit tracking report.

## **06/20 Audit Tracking Report**

The Deputy Principal expressed some disappointment that Unit Target Grades were not yet as high as she would like and requested that this action be kept open. A meeting was being organised with the Assistant Principal, Directors and the quality manager to understand the complexities, some of which was due to the different structure of qualifications.

It was felt that people were generally using core processes on data retention and were weeding out files and using encryption and this action was closed off.

There were much better disaster recovery/security in place. Another system to assist with security was being considered against cost. The use of USB sticks had been significantly reduced and risk was limited to particular machines.

There had been a lot of work done in respect of the support for learners with additional needs and a re-organisation of staff had taken place. All records

had now been reviewed to ensure that appropriate exams concessions were in place. This has now been closed off.

### **07/20 Important Changes to the External Audit Approach**

The External Auditor drew attention to the new guidance issued by the regulator in light of some significant company failures.

There would be more robust challenge from the Auditor of the basis on which the Board has agreed a 'going concern' position, with a requirement for supporting evidence.

It was not anticipated that there would be major changes for Lakes College, except that the Board would need to confirm 'going concern' in advance of the financial statements audit.

The Deputy Principal/Clerk agreed to bring a list of activity carried out at Lakes College to the next meeting of the Audit Committee to ensure that all expectations were being met.

The meeting closed at 1830h.