

OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 8 March 2018 at 5.00pm

Present:	Anthony France Graham Bradbury John Lancaster	Governor (Chair) Governor Governor
Officers:	Janet Frost Allan Tyrer Debra Woodruff Rebecca Johnson Patrick Clarke	Clerk to the Corporation Director of Finance Deputy Principal Assistant Director of Finance ICCA
Apologies:	Des Herlihy Micheal Frankish	Governor Grant Thornton

35/17 Apologies

Apologies for absence had been received and were accepted from Des Herlihy, Governor and Micheal Frankish, Grant Thornton.

36/17 Meeting of Auditors with Members only (No officers)

The Clerk advised that this item gave the opportunity for members to speak to Auditors with no management present. Members agreed that they had no matters to discuss with the Auditors. It was **RESOLVED** that the members did not currently require a meeting with Auditors without management present.

37/17 Declaration of Conflicts of Interest

None declared.

38/17 Permission for Officers of the Organisation to be Present

It was **RESOLVED** that officers present should remain in the meeting.

39/17 Minutes of the previous meeting held 30 November 2017

The minutes of the meeting held 30 November 2017 had been previously circulated to members for consideration.

It was **RESOLVED** that the minutes of the meeting be approved and signed by the Chair as a correct record of the meeting.

40/17 Matters arising from minutes of the previous meeting

There were no matters arising.

41/17 Notification of Items of Any Other Business

There were no Items of AOB reported.

42/17 Rolling Action List Update

1.30 November 2017 Min 20/17 - Internal Audit Annual Report 2016/2017 be recommended to Full Corporation for approval at its December 2017 meeting. It was **RESOLVED** that the action was complete.

2. 30 November 2017 Min 22/17.2 - HE Systems and Process

An update on outstanding actions be reported at the next meeting in March 2018.
It was **RESOLVED** that the action was complete.

3. 30 November 2017 Min 23/17 - Risk Management Annual Report 2016/17 to be recommended for approval to the Full Corporation at its next meeting.

It was **RESOLVED** that the action was complete.

4. 30 November 2017 Min 24/17 - Risk Register

That three new risks be added to the register; Governance – noting that risks remained relating to the FEC intervention and the appointment of a new Chair, Capital projects and UCO.

It was **RESOLVED** that the action was complete.

5. 30 November 2017 Min 26/17 - Draft Audit Findings Report and Management Letter

The final report be presented to the Full Corporation at its December meeting.

It was **RESOLVED** that the action was complete.

6. 30 November 2017 Min 27/17 - Audit Tracking Tool

The 'RED' actions to be completed as a matter of urgency.

It was **RESOLVED** that the action was complete.

43/17 Presentation by Internal Audit Service

Patrick Clarke of ICCA presented a report that highlighted to members topics of interest within FE from an audit perspective. The report provided detail on the following:-

- Delivering the Adult Education Budget – the importance of ensuring funding is fully utilised
- Apprenticeships – issues that have been identified in the sector include; employers slow to get up and running, off the job training, subcontracting apprenticeship delivery
- Funding audits – the importance of ensuring records are correct and the data matches the ILR

Members discussed the content of the report and PC answered questions on points of detail and provided clarification where necessary.

The Chair thanked PC for his detailed report.

44/17 Management of the estate and issues related to funding constraints and impact on students

The Director of Finance provided members with a detailed presentation on the management of the estate and issues relating to funding constraints. He advised members that the capital budget for 2018/19 was £350k and this has been enhanced with a number of successful bids for example £64k HEFCE and £88k GM Cycle Scheme. He continued and summarised how the capital budget had been allocated noting that it had been spent in areas of priority.

A member asked what restrictions has a small capital budget put on improving outcomes and the Director of Finance responded that whilst money has been directed at supporting the curriculum and improving IT, it does not leave any matched funding for the Capital Skills bid.

The Capital Skills Bid (£7m) has the support of the local authority, FEC and local stakeholders and is being prepared based on nil contribution.

The Director of Finance summarised the areas in the college that require investment such as The Grange Theatre and a member advised that the Lottery Heritage Fund could be a potential source of income.

The Director of Finance concluded that whilst the student experience is not being compromised on a day-to-day basis the funds required for major changes are not available, hence the need for the Capital Skills Bid.

The Chair thanked the Director of Finance for his report.

45/17 Programme of Presentations of Individual Risks 2017/18 (Item 10.1)

A copy of a report that outlined the schedule of presentations for future meetings of the Audit Committee had previously been circulated to members for consideration. The Clerk advised that the list had been drawn in consultation with committee members.

The Members noted the presentations at future meetings and agreed that should further issues arise that warrant information sharing at the meeting these would be added to the schedule.

It was **RESOLVED** that members noted the report.

46/17 Internal Audit Assignment Reports (Item 11)

The Internal Audit Assignment Reports 2017/2018 had been prepared by ICCA in accordance with the Audit Plan for 2017/2018 and all had been previously circulated to members for consideration. In discussion the following reports were considered:-

46/17.1 HR – Performance Management, Systems and Reporting (Item 11.1)

Patrick Clarke, ICCA, introduced the report and highlighted the scope of the review which had been to review the performance management framework to ensure it is sufficiently robust to drive improvements in quality, performance and outcomes for learners.

It was reported that the Internal Audit opinion was that the Board could take 'reasonable assurance' that the areas of the control environment tested were designed and operating effectively with no significant weaknesses.

Five management actions had been agreed in the report; one low application/compliance recommendation, two medium design and one medium application/compliance recommendation and one high application/compliance recommendation.

Members discussed the report and the following questions/comments were raised:-

- Could the college request rebate due to the system not being upgraded?
- The Vice Principal is awaiting report from the software provider and then a decision will be made on the future use of the system
- Noted that the Dudley performance management process was being adopted by the College.

The Chair concluded that this was a positive report.

It was **RESOLVED** that the report be received as presented.

46/17.2 Apprenticeships – Post Levy Systems and Processes (Item 11.2)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide assurance that the College has developed appropriate systems and processes in order to effectively respond to the Apprenticeship Reform, mitigated the risks associated with the reforms and are maximising the opportunities that are available to the College.

It was reported that the Internal Audit opinion was that the Board could take 'substantial' assurance that the areas of the control environment tested were designed and operating effectively with no significant weaknesses.

The Internal Auditor was pleased to report that there were recommendations to report.

The Chair concluded that this was an excellent report.

It was **RESOLVED** that the report be received as presented.

46/17.3 External Assurance of Sub Contracting Controls (Item 11.3)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide assurance on the systems and controls in place during 2017/18 for managing sub-contracted delivery. It was reported that it had a good audit with no recommendations reported.

Members considered the report and **RESOLVED** that members received the report as presented

46/17.4 Safeguarding – Prevent Duty (Item 11.4)

Deferred until the next meeting.

47/17 Risk Management Register (Item 12)

The Risk Register and Action Plan for 2017/2018 had been prepared by the Director of Finance and previously circulated for consideration. He advised that the new format split the risks into three categories; financial risks, OfSTED related risks and general risks.

Members reviewed the risks and noted the new risks that had been added to the report including one relating to the GDPR and compliance. In discussion it was agreed that a review of GDPR by internal audit should take place to provide assurance to the Board that the organisation is compliant.

It was **RESOLVED** that:-

- (i) members noted the Risk Management Register as presented
- (ii) Agreed that a review of GDPR by Internal Audit should take place to provide assurance to the Board that the organisation is compliant.

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48/17 Audit Rolling Recommendation Tracking Tool (Item 13)

A report detailing a copy of the Audit Rolling Recommendation Tracking Tool had been prepared by the Assistant Director of Finance and previously circulated to members for consideration.

The Assistant Director reported that the tracking system had been developed based on the RAG rated system of reporting and included all recommendations taken from the Internal Audit assignment reports that required implementation by the College.

Members noted those actions that remained 'RED' and the Chair requested that a review of these take place immediately to complete the action required.

It was **RESOLVED** that members noted the report and progress achieved with the implementation of actions.

49/17 Use of Consultants (Item 14)

The Director reported the engagement of consultants since the previous meeting and members noted the contract sum for each.

It was **RESOLVED** that members noted the report.

50/17 Workplan 2017/18 and Commentary on Changes (Item 13)

A copy of the Workplan for 2017/18 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted all reports had been reported as planned.

It was **RESOLVED** that members noted the report.

51/17 Items of Any Other Business

There were no Items of AOB.

52/17 Dates of meeting for 2017/18

The meeting finished at 6.25pm

Minutes Approved: **Date:**

Chair

Rolling Action List taken from the Audit Committee 8 March 2018

Meeting Date & Item No.	Rolling Action List (Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)	Actionee	Reported as Completed at meeting of
30 11 17 Min 20/17	Internal Audit Annual Report 2016/2017 be recommended to Full Corporation for approval at its December 2017 meeting.	Director of Finance	8 March 2018 Min 42/17.1
30/11/17 Min 22/17.2	HE Systems and Process An update on outstanding actions be reported at the next meeting in March 2018.	Director of Finance	8 March 2018 Min 42/17.2 & 48/17
30 11 17 Min 23/17	Risk Management Annual Report 2016/17 to be recommended for approval to the Full Corporation at its next meeting.	Director of Finance	8 March 2018 Min 42/17.3
30/11/17 24/17	Risk Register That three new risks be added to the register; Governance – noting that risks remained relating to the FEC intervention and the appointment of a new Chair, Capital projects and UCO	Director of Finance	8 March 2018 Min 42/17.4 & 47/17
30 11 17 Min 26/17	Draft Audit Findings Report and Management Letter The final report be presented to the Full Corporation at its December meeting.	Director of Finance	8 March 2018 Min 42/17.5
30 11 17 Min 27/17	Audit Tracking Tool The 'RED' actions to be completed as a matter of urgency.	Director of Finance	8 March 2018 Min 42/17.6 & 48/17
8 03 18 Min	Risk Management Register A review of GDPR by Internal Audit should take place to provide assurance to the Board that the organisation is compliant.	Deputy Principal	