

OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 3 March 2020 at 5.00pm

Present:	Katrina Hann	Governor (Chair)
	Anthony France	Governor
	Laura Smart	Governor
	Lorna Unwin	Governor
Officers:	Janet Frost	Clerk to the Corporation
	Allan Tyrer	Finance Director
	Debra Woodruff	Vice Principal
	Rebecca Johnson	Asst. Director of Finance
	Patrick Clarke	ICCA
	Daniel Watson	Mazars
	Pete O'Donnell	Director – Information, Systems and Data

Apologies:

35/19 Apologies

All members were present at the meeting.

36/19 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.

37/19 Declaration of Conflicts of Interest

None declared.

38/19 Permission for Officers of the Organisation to be Present

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

39/19 Minutes of the previous meeting held 4 December 2019

The minutes of the meeting held 4 December 2019 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.

40/19 Matters arising from minutes of the previous meeting

There were no matters arising from the minutes of the 4 December 2019.

41/19 Notification of Items of Any Other Business

There were no Items of AOB reported.

42/19 Rolling Action List Update

(i) 4 December 2019 Min 20/19 – Presentations:

GDPR – March meeting

Technology – June meeting

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

The Chair sought and obtained a change to the sequence of reporting with Items 10 being taken next on the agenda.

Members approved the change in reporting sequence.

43/19 Presentation: GDPR (Item 10)

Submitted: Presentation by Pete O'Donnell, Director of MIS. Copy of presentation circulated to all members.

The Clerk reported that the presentation on GDPR was being provided by POD as part of the agreed training sessions to committee members on areas of potential risks and activity on how risks are mitigated.

POD guided members through the detailed presentation highlighting the importance of identifying the risk areas to enable actions to be taken, in summary:-

- Staff provide the biggest risk through misuse and making mistakes
- Misuse of data by partners
- The loss of data by cyber attack
- Staff not following the rules
- Data breach i.e. not detecting a breach by ourselves or not responding in a timely manner
- Third party partner company using our data
- Using data in good faith that was not properly sourced

In discussion a member asked how the College reduces risk and POD explained that training of all staff takes place and is built into the induction process. The Chair asked how often the training is refreshed and was advised that currently this is every two years. She reported that GMCA ask staff to update their knowledge every year and POD agreed to review the college's practice.

A further question was raised relating to the training of agency staff and members were advised that agency staff do complete the in-house on-line training as part of their induction.

POD also clarified the process of data retention including e-mails and the need to retain SPH e-mails for a longer period of time.

The Chair thanked POD for his informative presentation.

44/19 Presentation by the External Auditor (Item 9)

Daniel Watson of Mazars provided members with a report that gave an update on matters of interest arising since the December meeting.

DW advised that since the December meeting the auditors had issued their audit report in respect of the College's financial statements and the report contained an unqualified opinion; issued their reporting accountant report on Regularity and no issues had been raised; issued their reporting accountants report on the College's Teachers Pension return (see Item 13).

DW continued and updated members on key points contained within the Annual Report of the Further Education Commissioner, in summary:-

- The number of colleges entering formal interventions rose by two thirds on the previous year and 33 diagnostic assessments had been completed in 2018/19
- Reported that colleges and governing bodies must be aware of the need for robust financial planning and close scrutiny to ensure the college remains well managed and provided a range of useful DfE documents for reference including; Regulation of Further Education college; College Oversight document August 2019; FE Bodies: Insolvency Guidance
- Provided an update on Apprenticeship Funding and compliance with the new rules and referred members to Apprenticeships off the job training (Gov.uk)

- Reported GDPR continues to be a risk area for Colleges (refer to presentation at min 35/19).

Members reflected on the interventions that had taken place by the FEC and asked what key issues came through the published reports. DW reported the obscurity of funding must be challenged by members to ensure they understand how the funding streams align to the financial planning, particularly to the cash flow. He added that some colleges do not recognise they do not have the appropriate skills in house to manage projects which leads to financial issues.

A member asked if there is correlation between FE providers that include HE provision and colleges that have gone into intervention to which DW responded that these colleges have not been identified as higher risk and those that have gone into formal interventions were all of differing characteristics.

The Chair thanked DW for his informative presentation.

45/19 Programme of Presentations of Individual Risks 2019/20 (Item 11)

The Clerk informed members that at each meeting of the Audit Committee a presentation detailing the risks associated with a College area or activity and how those were mitigated would be delivered to members by a staff member or senior manager from the area/activity. This would form part of the training activity for Governors but be specifically directed at audit members.

Members considered the remaining topics to be delivered in 2019/20 and confirmed Estates and Technology remain the topic for consideration at the June meeting.

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

46/19 Internal Audit Assignment Reports (Item 12)

The Internal Audit Assignment Reports had been prepared by ICCA in accordance with the Audit Plan for 2019/20 and all had been previously circulated to members for consideration. In discussion the following reports were considered:-

46/19.1 Curriculum Planning and Efficiency (Item 12.1)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and the Audit Committee with an independent assurance opinion that the College's curriculum planning processes are supported by robust systems, processes and controls and the curriculum is efficient.

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

Two 'low' management actions had been agreed in the report.

The Chair invited questions and comments relating to the report.

A member referred to the class sizes and asked if there is an optimum number to which the Finance Director responded that whilst the curriculum planning guidance refers to a minimum of 18 per course this changes depending on various factors. PC reported the lost hours equated to £336k (91%) which compared to the sector was low.

The Finance Director continued and assured members that each faculty is targeted to improve its utilisation figure (target 95%). He referenced the Construction and maths faculties, two areas that are low and actions are in place to improve.

A member asked if the same process is used to monitor UCO and it was agreed a report on the HE hours and utilisation rates by course be brought to the next meeting.

The Chair concluded that this was a positive report.

It was **RESOLVED** that:-

- (i) the report be received as presented
- (ii) a report to demonstrate the HE hours and utilisation rates by course be brought to the next meeting.

46/19.2 Student Journey – Retention and Intervention (Item 12.2)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and Audit Committee with an independent assurance opinion that the College has adequate and effective systems, processes, and controls in respect of student retention and intervention mechanisms.

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

One ‘high’ and one ‘medium’ management action had been agreed in the report.

The Chair invited questions and comments relating to the report.

A member asked what was driving attendance down and in response the Deputy Principal reported that this year’s intake are a more challenging cohort and they are distributed across faculties. Two faculties Construction and Retail and Commercial have had particularly notable attendance issues and this has resulted in Task and Finish Groups being put in place by management to focus on the concerns. It was reported that C&Q Committee would receive a progress report at its 10th March meeting.

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

46/19.3 Learning Support Funding (Item 12.3)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and Audit Committee with an independent assurance opinion that the College has adequate and effective systems, processes, and controls to support compliance with ESFA and Local Authority funding requirements in respect of Learning Support claims and High Needs Student Support.

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

There were no management action reported.

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

46/19.4 ESFA Mock Funding Audit (Item 12.4)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and Audit Committee with an independent assurance opinion that the control framework in operation in respect of the ESFA funding supports compliance with the relevant agencies requirements as defined within the ESFA funding rules for 2019/20.

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

Two ‘medium’ and three ‘low’ management actions had been agreed in the report.

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

47/19 Teachers’ Pensions Return for Year Ending 31 March 2019 (Item 13)

Daniel Watson of Mazars presented the independent report in connection with Teachers’ Pensions end of year return for the period ending 31 March 2019. DW explained the content of the report in detail which members noted.

The Assistant Finance Director reported that the introduction of a new HR system will improve processes going forward and this was supported by DW.

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

48/19 Risk Management Register (Item 14)

A report detailing the updated Risk Management Register had been prepared by the Finance Director and previously circulated for consideration.

The Finance Director introduced the report, advising the Committee that the key operational risks had been updated (deleted Risk K 'negative impact on staff morale of uncertainty and change' as no longer a key risk) and the mitigated scores adjusted to reflect the current position. He proposed that an additional risk relating to the Coronavirus be added to the register and this was supported by members. Members discussed actions that would be put in place should an outbreak of the virus occur and the Finance Director advised members of discussions and preparatory measures that had already been agreed.

Members considered the report and acknowledged that the Finance Director would further update the document and present to the next meeting.

It was **RESOLVED** that:-

- (i) the Risk Management Register as at March 2020 be accepted and,
- (ii) members approved the addition of a further risk relating to the Coronavirus to be added to the plan.

49/19 Audit Rolling Recommendation Tracking Tool (Item 15)

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.

The Finance Director provided an update on each action that remained RED on the report.

It was **RESOLVED** that members noted the report and progress achieved.

50/19 Use of Consultants (Item 16)

The Finance Director reported the use of consultants since the previous meetings and members noted the details.

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

51/19 Workplan 2019/20 and Commentary on Changes (Item 17)

A copy of the Workplan for 2019/20 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted the amendments.

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

52/19 Items of Any Other Business (Item 18)

There were no Items of AOB.

53/19 Dates of meeting for 2019/20

18 June 2020

The meeting finished at 6.25pm

Minutes Approved: **Date:**

Chair

Rolling Action List – Audit Committee

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
04 12 19 Min 20/19 03 03 20 Min 42/19(i)	<u>Presentations:</u> GDPR – March meeting - Complete Technology – June meeting	A Tyrer	
03 03 20 Min 43/19	<u>GDPR</u> POD to review timing of staff GDPR training	A Tyrer/POD	
03 03 20 Min 46/19	<u>Curriculum Planning and Efficiency</u> A report on the HE hours and utilisation rates by course be brought to the next meeting.	A Tyrer	