**Minutes of the Audit Committee**

**Wednesday 4 March 2020**

**Tower Board Room, Bedford**

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| Present: | Richard Dimbleby  Sharon De Leonardis  Mark Lawson |
| In Attendance: | Karen Campbell (Vice Principal)  Pat Jones (Executive Director of Finance)  Em Lowe (Vice Principal)  Saeed Keynejad (Director of CIS)  Jonathan Creed (ICCA)  Rachel Nicol, Director of Governance & Clerk to the Corporation(RN)  (IO) |

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|  |  | **Action** |
| **AC/1/20** | **Apologies for absence** Apologies were received from Andrew Ellis and Stewart Briggs. Mark Lawson had agreed to join the Committee. |  |
| **AC/2/20** | **Matters arising** All participants were introduced. It was agreed to take items in a different order to the agenda based on the availability of the management team at different times. |  |
| **AC/3/20** | **Internal Audit Reports** **Learner Progress and monitoring**  The Internal Auditor introduced the report and explained the scope of the report and review including the tracking of learners, identification of learners at risk and how intervention is operated.  The conclusions were summarised including good design and framework but with actions required on compliance testing. The action plan at section 3 was highlighted. The Committee noted a number of areas where attendance was below the KPI, the actions being taken to address issues and evidence required.  The Vice Principal responsible outlined the follow up activity and provided assurance on the evidence of action on the ground. It was recognised that further work is being done through recording on the Pro monitor system. A working group is being established to look at the best mechanisms for recording evidence and to ensure consistency of practice going forward. Functionality of reporting is also being reviewed.  Assurance was given that the students are being supported and activity evidenced locally but it was accepted that greater central recording to inform management would be beneficial.  The Committee discussed;   * Overall attendance patterns, including HE and adults. * Appropriate setting of KPIs and actions and information. * Balance between early action being taken by senior management and the need to engage staff to own and implement actions. * The need to standardise expectations, provide clarity and training on system use. * Effectiveness of systems being used. * The relationship between desired outcomes and actions required. * Communication of internal audit report and the potential impact of individuals not implementing actions.   It was confirmed that there is a detailed action plan in place and staff are open to further training to ensure the system is used appropriately to ensure better management information.  Further resource is being put into systems training for curriculum staff.  The recommendations made will continue to be monitored.  **The report was noted.**  The Vice Principal responsible for learner progress left the meeting |  |
| **AC/4/20** | **ESFA Audit** The Director of CIS presented the report and highlighted;   * Changes in enrolment processes and impact on resource. * Actions being taken on work placement information and use of systems for recording of evidence on Pro monitor. * Apprenticeship activity and the minor nature of the recovery from adjustments identified. * Focus on contracts and evidence required of delivery. * ESFA principles on under 16s and rules around entering post 16 education. * Bursaries, rules and resolutions.   The Committee discussed;   * The reference to the requirement to print forms with signatures and potential solutions. Reference was made to a previous internal audit and issues discussed over digital signatures. The Committee understood that use of digital signatures to meet audit requirements is not possible under the current system but such capabilities and technological process capabilities will form part of any future system specification. * Recovery of funding and how it operates. It was confirmed that the recovery is of actual amounts and not based on extrapolation. The relationship between the adjustment and the audit sample was discussed. * The cost to the College of supporting the audits and the need for better design to minimise the resource required to manage internal audits. |  |
|  | **The Committee congratulated the team on the positive audit result and assurance received.** |  |
| **AC/5/20** | **Internal audit recommendations** The Executive Director of Finance highlighted the work being done in respect of “Making tax digital” and “Optical character recognition”. It was confirmed that priorities have changed.  **The recommendation to delay the Procure to Pay audit and pick it up as part of a larger review at a later date was supported by the Committee.** |  |
| **AC/6/20** | **Internal Audit Plan Progress** The Internal Auditor introduced the report and referenced the agreed Internal Audit Plan. It was confirmed that appropriate progress is being made and there are no anticipated problems in being able to provide the Internal Audit Annual report in due course.  It was confirmed that the Safeguarding review was removed from the plan with the support of the Audit Committee as a review had been carried out and assurance as provided during the Inspection. |  |
|  | **The report was noted.** |  |
| **AC/7/20** | **Internal audit reports (Part 2)** **Subcontracting arrangements** |  |
|  | It was explained that the external assurance review is a mandatory requirement based on the level of the subcontracting arrangement**.** The level of subcontracting for 2019-2020 was declared at £108k  The report itself is not submitted to the ESFA but the letter from the auditors is.  Recommendations made were noted to center around the provision of information on the website and timing of contract agreement.  The Committee discussed;   * Delay to contracts due to need for negotiation and addition of qualitative provisions.   **The report was noted.** |  |
|  | The Director of CIS left the meeting. **Financial planning and budgetary control** |  |
|  | The audit was presented and substantial assurance given with good design and good application and compliance. The Executive Director of Finance confirmed that management information is available and the recommendation to replace key aspects of the College Information reports on the governor portal in between meetings will be followed up.    The Audit Committee congratulated the Finance team on the assurance received.  **The report was noted.** |  |
| **AC/8/20** | **Update on Apprenticeship action plan** The Vice Principal responsible for apprenticeships presented an update on the action plan following last year’s audit on the apprenticeship operations. Outstanding actions were noted to include work around the provision of learning support.  The centralisation of the Apprenticeship function and planned impact was outlined. Process changes will support compliance. The need for greater partnership working between the Apprenticeships and Business Development teams has been recognised.  The Committee discussed;   * Risks to action plan completion if recruitment to support the structure is not completed as planned. It was confirmed that process changes can and will still be implemented. * HR implications of planned changes and potential barriers. * Whether the action plan should have allocated individuals accountable for each action. It was noted that actions are being driven by the Apprenticeships and Business Development teams. * Costing processes and base pricing of apprenticeship programs. New programs are reviewed as and when they come on line. * Audit compliance processes and improvements seen. * Current manual system to identify learning support needs and need to capture information. * Problems across the sector, evidence of prior learning experience and changes in funding, pricing matrices and the requirement for twenty percent off the job training.   It had been previously agreed to exclude apprenticeships from the Mock Funding Audit. ***The Committee discussed and considered that the audit should be fully inclusive. It was agreed that the Executive will further discuss the scope.***  The Vice Principal responsible for apprenticeships left the meeting  The Director of Estates and Facilities joined the meeting. |  |
| **AC/9/20** | **Review of the Buchanan Centre Build** The Director of Estates and Facilities presented the report. Feedback from the Engineering department had been received following submission of the report and was tabled.  The evaluation was highlighted.  The Committee discussed;   * Change from initial costs estimate and reasons including the evolution of the project from Craft Centre to a full scale engineering building. The Committee discussed how changes are presented and reviewed by the Board. The need to reflect on decision making processes for future projects was noted; the difference between “mission creep” and “requirements creep” and the relationship to expectations of third parties and curriculum areas. * The relationship between the investment and return in respect of student numbers and the need for reflection. * Funding appeal achievement and impact. * Need for refocus on the original mission as an HE centre. The Director of HE will be asked to review the use and explore potential. * Funding of apprenticeships and other HE qualifications and the impact on employers and use of their levies***. It was agreed that the report prepared for the QSA Committee on national policy and apprenticeships will be forwarded to the Executive Director of Finance.*** * ***The report will be updated on curriculum feedback before it is reviewed by the Estates Advisory Group.*** |  |
| **AC/10/20** | **Key Risk Review** The Executive Director of Finance highlighted the movement in risks, in particular the decrease in risk D1 on funding body funding.  The Committee discussed;   * The need to articulate the impact of the risks and the effects.   **The risk register was noted** |  |
| **AC/11/20** | **Business Continuity Plan** At the previous meeting the Committee had requested further information on scenario planning to support the plan. The Director of Estates & Facilities detailed work done analysing the previous College closure and identification of further scenarios to review.  It was explained that it is intended to run 2 table top exercises per year and then consideration will be given to more in depth reviews.  The Business Continuity Plan has been updated to ensure departments have appropriate plans and communication cascades.  The lockdown and alarm system plans were outlined. A trial is planned at one of the campuses.  Executive have agreed that the Government and Pubic Health England advice will be adhered to in all planning and key staff have already been identified.  The Committee discussed;   * How individuals are selected to run exercises and how the exercises are reviewed. * Consideration of complete loss of water as an exercise   The update was noted |  |
| **AC/12/20** | **Data Protection Update** The Director of Governance & Clerk to the Corporation presented the update on Data Protection on behalf of the Data Protection Officer including;   * Key organisational risks and mitigation. * Cyber essentials accreditation. * Current position on breaches, patterns and actions. * Data subject requests * Current projects to support the accountability principle.   The review of policies was highlighted and the Committee provided feedback on the amendments to the Data Protection Policy. The Committee supported the transition from Data Management “Policy” to “Procedures”.  Subject to the minor amendments suggested the Committee recommended the Data Protection Policy for approval by the Board.  **The update was noted.** |  |
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| **AC/13/20** | **Minutes** The minutes of the meeting held on 21 November 2019 were approved as an accurate record of the meeting.  The actions were reviewed and it was agreed that business continuity and value for money can come off the outstanding actions. The Director of HE will review value for money and report through the QSA Committee. Initials will be updated.  The Committee noted that benchmarking had been discussed at the Board and that there is no requirement for further benchmarking at the current time. |  |

AC/14/20 **Next meeting**

The next meeting will take place on 22 June 2020 at 10.30 am.