

**Present:**

Alison Watson-Bird (Chair), Martina Jay, Michael Lowe, Martyn Lylyk, Stephen Gregson

**In Attendance:**

Fatema Hussein (Head of Governance), Charlotte Walsh (RSM), Hannah Parker (Mazars), Chris Hogan (Mazars), Alan Frost (Mazars) Simon Partington (Principal), Janet Ivill (Director of Finance), Clare Russell (Principal Designate), Pauline Odulinski (Observer)

Meeting began 5.30pm

Meeting closed 6.30pm

Attendance: 100%

Venue: MS Teams

**1. APOLOGIES FOR ABSENCE**

There were no apologies to receive.

Pauline Odulinski was welcomed and introduced to the meeting.

**2. DECLARATIONS OF INTEREST**

Governors / Members were invited to declare any direct, indirect, pecuniary, personal or prejudicial interest relating to any item on the agenda for the meeting

The Co-opted member Michael Lowe declared that his employer Grant Thornton had been appointed as External Auditors for Preston's College, but he would not have any involvement with this work.

**3. MINUTES OF THE MEETING HELD ON 11<sup>TH</sup> MARCH 2020**

**3.1 Approval of the Minutes**

**Agreed:** that the minutes are signed as a correct record and authorised for publication

**3.2 Matters Arising From the Minutes**

The action progress log was reviewed and it was noted that most actions had been completed or were included on the agenda.

## **4. INTERNAL AUDIT**

### Internal Audit Reports

Mazars presented the internal audit reports and the following points were noted:

#### **4.1 Follow up (incl Safeguarding)**

- Management had developed an action plan addressing the recommendations in the Safeguarding Audit
- The Chair of the Committee had also requested an additional 50% sample check of current staff to confirm a DBS was currently in place.
- This check had confirmed all 320 staff members in the sample had a DBS reference on file.
- A DBS report obtained from the HR system also confirmed that the 25 new starters since January 2020 had received a cleared DBS prior to their start date.
- Whilst there had been no new starters requiring a DBS risk assessment since January 2020, the DBS risk assessment template which considered mitigation actions in both the classroom and non-classroom environment, had been checked
- Supporting guidance notes to complete the risk assessment were in place and been circulated to the HR team.
- Refresher training for managers had also been carried out on 'Safer Recruitment' which covered the DBS and risk assessment processes

#### **RESOLVED:**

The Committee agreed that it had received the necessary assurance that College had addressed the recommendations from the audit which included the additional sample testing.

#### **4.2 OFSTED Readiness**

- The scope of the audit had focused on the following key areas: Self-Assessment; Lesson Observations; Quality Monitoring; Stakeholder Engagement; Staff Preparedness; and Benchmarking.
- A substantial assurance rating had been provided based on the effective controls and good practice of the College's quality management systems and Ofsted readiness arrangements

#### **4.3 Business Recovery**

Alan Frost from Mazars explained that:

- Mazars had been engaged by the College to provide advice and support in relation to the business recovery plan
- He had attended two virtual SMT meetings around current plans and desired new ways of working
- Separate meetings had also been held with the Director of Finance
- A template of what needed to be included in the Recovery Plan had been provided
- Mazars had also challenged the College's thinking on various areas, including whether plans were in place in case of a second lockdown
- Ideas on what other FE institutions had been doing in the sector both in the UK
- and overseas had been provided to the College
- Guidance on structures that could be put into place to support a phased return, and assess the College's readiness to return had also been given

The Chair requested that the report was circulated to Audit Committee members as soon as it was available

#### **ACTION:**

Director of Finance

Alan Frost left the meeting at this point.

#### **4.4 Apprenticeship Compliance**

- The scope of this audit had focussed on the following key areas; Policies and procedures; Staff training and awareness; Apprenticeship funding; Off the job training; and Assurance framework
- A substantial assurance opinion had been issued with good controls noted in relation to staff training and retention of key documents relating to apprentices
- In addition, Runshaw had dedicated monthly Apprenticeship Strategy Meetings to oversee compliance and any new developments in requirements

#### **4.5 Progress Report**

- The College closure had not delayed the progress of the internal audit plan
- Two audits had been undertaken remotely; Follow Up and Quality Management Systems
- The Student Transport audit had been delayed until the new academic year
- The Information Systems review had been replaced by Business recovery
- It would still be possible to provide an opinion on the adequacy of internal control measures even though there had been some amendments to the audit plan

### **5. AUDIT RECOMMENDATIONS MONITORING REPORT**

#### **5.1 Open Items**

#### **5.2 Closed Items**

The Director of Finance confirmed that 18 out of 20 recommendations had been implemented and closed off. Two items currently remained open.

### **6. 2020/21 INTERNAL AUDIT PLAN**

The Director of Finance presented the strategy for 2020/21 and advised that the following areas had been identified for review in the next academic year. These were based on previous discussions with the Committee:

- Student Transport Strategy
- Cyber Security
- Fraud Risk Management
- Health & Safety Compliance
- Equality & Diversity

#### **Governor Questions**

**Q.** When had the Health & Safety audit been scheduled for and how effective would it be if students were not back on campus?

**A.** The audit would be focussing on the legislative requirements and would not impact on the effectiveness, even if students were only on campus for three days a week

**Q.** Were there any other areas where controls might require testing as students returned back to campus, for example compliance with Government guidelines re Covid?

**A.** This had been included within the business recovery action plan and very detailed risk assessments had been undertaken as part of the plans for the re-opening of the College

**Q.** Could the scope of the audit be amended to include this?

**A.** It may be possible to allocate some additional audit days to include this. It was suggested that this could also be considered by the Coronavirus Task & Finish group that had been set up to monitor the College opening plan.

Mazars confirmed that the impact of Covid19 could be considered as part of each internal audit.

**Q.** Was there any merit in reviewing the efficacy of blended learning?

**A.** An independent external view of this would be useful and could be done as part of a mock inspection. Remote working could be incorporated into the health and safety audit

### **RESOLVED:**

The Committee agreed that:

- A review of blended learning was included as part of the mock inspection
- The scope of the health and safety audit was amended to include remote working
- The internal audit plan was recommended to the Board for approval

### **ACTION:**

Director of Finance

## **7. RSM AUDIT PLAN 2020/21**

RSM presented the audit plan which detailed the approach, scope, timetable, fees, related audit areas of risk and planned dates for the audit of the College's accounts for the year ended 31 July 2020. It was noted that the impact of Covid19 would be taken into consideration in relation to the bank covenants and the Going Concern opinion. The Audit Code of Practice for 2019/20 had not yet been published.

### **Governor Questions**

**Q.** Did College have processes in place to enable the audit to be undertaken remotely?

**A.** RSM had set up a portal where all relevant information could be uploaded to and the Finance team were comfortable in using the portal.

**Q.** Had RSM been briefed on the discussions that had taken place with Barclays regarding the bank covenants?

**A.** It was confirmed that a briefing would be provided, although any potential breach would not have an impact on the Going Concern opinion

## **7.1 Emerging Issues**

The Committee reviewed and noted the briefing provided by RSM.

The Head of Governance suggested that the briefing was circulated to all Board and Co-opted members to keep them updated of current issues within the F.E. sector.

### **ACTION:**

Head of Governance

## **8. GDPR ANNUAL REPORT / UPDATE**

The Director of Finance presented the report which detailed the key activities that had been undertaken this year to ensure compliance with the regulations. It was noted that there was now a greater awareness amongst staff in reporting breaches and near misses.

## **9. RISK MANAGEMENT**

### **9.1 Risk Register incl High Risks and Updates March 2020 - June 2020**

The Director of Finance presented the Risk Register June 2020 and the risk register updates, and explained that there were currently sixteen high priority risks, SMT continued to monitor the risk register and key actions, and all significant risks would be addressed in the 2020/21 Strategic Plan.

#### **Governor Questions**

**Q.** Was there a risk that some high priority risks may be overlooked and any merit in splitting the risks into two groups?

**A.** Each member of the senior management team was responsible for managing the risks. Each Board Committee also monitored the relevant section of the risk register

**Q.** Did the risk register need to record who had ownership of the key risks?

**A.** It did include this detail but that column was not currently presented to the committee. The summary report would be amended to reflect this information.

#### **ACTION:**

Director of Finance

## **10. RESERVED BUSINESS**

### **10.1 Reserved Business Minutes – 20<sup>th</sup> March 2020**

**Agreed:** that the minutes are signed as a correct record

### **10.2 Matters Arising From the Minutes**

Discussed under reserved business

### **10.3 Confidential meeting between Audit Committee members without presence of executive staff**

A confidential discussion between Audit Committee Members without presence of executive staff was held.

## **11. GOVERNANCE IMPACT STATEMENT**

- Review and recommendation of Internal Audit Plan for 2020/21
- Priorities for Internal Audit work agreed in light of impact of Covid19
- Suggestion to include blended learning as part of mock inspection
- Discussion of business recovery audit and related risks
- Assurance sought re the practicalities of audit being undertaken remotely

## **12. DATE OF NEXT MEETING**

Thursday 19<sup>th</sup> November 2020 at 6.30pm