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| **MINUTES** | | | | | | |
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| *Audit and Governance Committee No 19* | | | | | | |
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| Date: |  | *04/02/2020 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Rural Business Centre* |  | Committee: |  | *Audit and Governance* |
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| Notes: |  | *Vouchers will be issued to obtain refreshments in the staff restaurant prior to the meeting. Tea and Coffee will be available in the meeting.* | | | | |
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| Present: |  | *Barbara Godby, Jane Booker (Chairman), Robert Wallace and Robin Newton-Syms* | | | | |
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| Attending: |  | *Alison Robinson (Principal) and Janet Whiteside (Deputy Principal)* | | | | |
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| Clerks: |  | *Ron Matthews (Clerk)* | | | | |
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| Guests: |  | *Kashif Azeem (Internal Auditor)* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **01.20** | ***Attendance of College Management Staff and Internal Auditor*** |
| ***Decision*** | Section 8.1 of the current Constitution and Terms of Reference for the Audit and Governance Committee states "the Principal or any other senior manager who is responsible for the College's internal control and a representative of the Internal Auditors shall normally attend meetings at the invitation of the Committee and the Committee shall have the power to invite such other persons to attend meetings as may be desirable or necessary".  Members welcomed Robin Newton-Syms to his first meeting of the Audit and Governance Committee having recently been appointed to the Board.  **Resolved:**  **That College Management staff and the Internal Audit representative, Kashif Azeem, attend the meeting.** |
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| **01.20** | ***Apologies for Absence*** |
| ***Record*** | All members of the Committee were present. |
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| **02.20** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of the items on the public agenda. |
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| **03.20** | ***Appointment of Vice Chair*** |
| ***Decision*** | In light of the recent resignation of the Chair of the Corporation and the discussions programmed for the Governors Away Event on 28 February 2020 it was not considered a suitable time to appoint a Vice Chair.  **Resolved:**  **That the appointment of a Vice Chair of the Committee be deferred.** |
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| **04.20** | ***Public Minutes of Previous Meeting*** |
| ***Decision*** | The public and confidential minutes of Audit and Governance meeting number 18 held on Tuesday 5 November 2019, published on the extranet were agreed and signed as a true and accurate record of the meeting. |
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| **05.20** | ***Internal Audit Reports*** |
| ***Decision*** | Audit & Governance Committee considered three reports.  **Cash Handling**  The audit of cash handling was undertaken due to the ten commercial outlets operated by the College, seven of which were catering facilities. All were predominantly cash based. The audit resulted in two low and one medium priority recommendations. The low priority recommendations related to procedural documentation and the segregated authorisation of duties being noted on the paperwork. Both had been implemented by Management prior to 31 January 2020.  The medium recommendation related to the review of monthly banking reconciliation procedures. Whilst this was undertaken electronically there was no provision within the system to identify that this had been done. For this reason the recommendation requested a paper copy should be produced as evidence that the review had been undertaken. Governors questioned this requirement as it appeared a retrograde step from electronic processes back to paper documentation. They also explored the amount of additional work required. Janet Whiteside gave an explanation of the processes and the amount of additional paperwork required. The Auditor explained that the current finance system had no provision for this to be undertaken within the system. He also acknowledged that the benchmarking information in the report was for information only and was not for comparison purposes.  Management had already implemented the recommendation by 31 January 2020.  **Student Mental Health Framework**  The second audit related to College provision with regard to a Framework to help students in dealing with mental health issues. There were seven low priority recommendations. Governors recognised that mental health was an emerging issue both nationally as well as within the education environment. Management agreed to implement all the recommendations by 31 May 2020 and acknowledged that they would assist in the overall development of the framework.  **Internal Audit Progress Report**  The report provided an update on progress against the Internal Audit Plan for 2019/20.  Two assignments had been completed as detailed above. A further Progress Report was now available and would be added to the agenda after the meeting.  Audits on Student Recruitment and School Liaison and Student Tracking/Monitoring would be undertaken in early March 2020 with a Follow Up report later in the year.  In light of the timing of the outstanding reports it was confirmed that it would be unlikely that they would be available for the scheduled meeting of the Committee on 7 April 2020.  The current Progress Report would be added to the agenda after the meeting.  **Resolved:**  **1. That the Internal Audit Reports be received.**  **2. That the meeting of the Committee scheduled for 7 April 2020 be**  **cancelled.** |
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| **06.20** | ***Internal Audit Progress Report and Summary Report*** |
| ***Decision*** | The Committee received and noted the above report, which contained information detailing progress to date on all recommendations made. In total 10 recommendations were made for 2019/2020 of which 3 (30%) had been implemented, 7 (70%) were not yet due.  The Summary report also detailed the outcomes of recommendations for 2017/2018 and 2018/2019. It indicated that two recommendations relating to Disaster Recovery and Cyber Security were outstanding from October 2017 and January 2018 and one on GDPR from January 2019. The Committee expressed concern that these remained outstanding despite registering similar views at the last meeting. Explanations were given but Management also acknowledged that these issues should have been resolved. Governors requested that a narrative to the report would help with understanding those issues that remained unresolved.  **Resolved:**  **1.   That the relevant managers be informed of the Committee's**  **concern in the  delay in implementation of the recommendations**  **from October 2017, January 2018 and January 2019.**  **2.   That the reports be received.** |
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| **07.20** | ***Strategic Risk Register*** |
| ***Decision*** | Audit and Governance Committee considered the Strategic & Governance Risk Report for 2019/2020 as presented by the Interim Deputy Principal, Finance and Corporate Services.  Their deliberations were aided through reference to the risk appetite statement, risk assessment framework and risk heat map.  Risks were referenced to the College's strategic objectives, scored using a 5x5 matrix and scored according to pre-mitigation actions, 'inherent' and post mitigation actions, 'residual'.  Changes were summarised.  The risk registers for Strategic Risks, Governance and Cross College risks were presented for review.  These risks recognised the importance of higher education within the College strategy. The Office for Students has considerably greater regulatory powers than the previous body, the Higher Education Funding Council (HEFCE).  Members questioned if the failure to implement the earlier audit recommendations was reflected in the register. Questions were also asked about the level of risks on specific issues and management responded accordingly. Comment was also made on the excellent report with information presented in a meaningful way to aid scrutiny.  **Resolved:**  **That the Strategic Risk Register Report be received.** |
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| **08.20** | ***Data Returns Report*** |
| ***Decision*** | In compliance with the Financial Memorandum, Audit & Governance Committee considered the Data Returns report.  All submissions had been completed within the required time frames to the funding body. The return due for 6 February 2020 was ready to submit on time.  **Resolved:**  **That the Data Returns Report be received.** |
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| **09.20** | ***Subcontracting Arrangements 2019/2020*** |
| ***Decision*** | Audit & Governance Committee considered the report on the current level of Subcontracting for 2019/2020 which was issued to the Committee as required by the funding body. The budget for this delivery had been approved by Corporation in July 2019. Monitoring of the various activities contributes to the Board’s assurance framework.  The report detailed the various contracts, numbers enrolled, the funding value, success rates for 2018/2019 and the reasons for subcontracting the provision.  Audit arrangements ensured that the College complied with ESFA requirements regarding providers who subcontract to a value in excess of £100k funded provision.  Members noted that subcontracted provision widened participation and served local community needs.  Members noted that there was no intention to continue with two of the providers listed as their students were carry over learners finishing their studies.  The College was seeking to reduce subcontracting provision with students being enrolled on courses within existing College provision.  **Resolved:**  **That the Subcontractors Arrangements Report 2019/2020 be received.** |
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| **10.20** | ***Governance Quality Improvement Plan 2019/2020*** |
| ***Decision*** | The Committee considered the progress on the Governance Improvement Plan for 2019/2020.  It was pointed out that some of the items included were areas for improvement whilst others areas for development. Management would review the plan before the next meeting.  **Resolved:**  **That the report be received.** |
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| **11.20** | ***Governor Training*** |
| ***Decision*** | **Away Event** - The date of the Governor Away Event for 2020 was confirmed as Friday 28 February 2020.  The Principal and Clerk outlined the proposed agenda for the day. Whilst it was accepted the elements of the day were necessary, opportunities for Governors to engage and talk would be appreciated.  **Resolved:**  **That the report be noted.** |
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| **12.20** | ***Interim Deputy Principal, Finance and Corporate Services*** |
| ***Decision*** | The Chair referred to the fact that this would be the last meeting of the Committee that Janet Whiteside would attend in her capacity as Interim Deputy Principal, Finance and Corporate Services. She thanked Janet for her work and assistance for the Committee over the last few months.  Janet would return to her position of Director of Finance at the beginning of March 2020.  The Committee concurred with the Chair's comments.Janet responded accordingly. |
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