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| **MINUTES** | | | | | | |
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| *Audit and Governance Committee No 20* | | | | | | |
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| Date: |  | *16/06/2020 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Via Skype* |  | Committee: |  | *Audit and Governance* |
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| Notes: |  | *This meeting will be held via video conference.* | | | | |
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| Present: |  | *Barbara Godby, Debbie Clayton, Jane Booker (Chairman), Robert Wallace and Robin Newton-Syms* | | | | |
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| Attending: |  | *Alison Robinson (Principal) and Joanne Sherrington (Deputy Principal)* | | | | |
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| Clerks: |  | *Ron Matthews (Clerk)* | | | | |
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| Guests: |  | *Karen Musgrave (External Auditor) and Kashif Azeem (Internal Auditor)* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **18.20** | ***Attendance of College Management Staff and Auditors*** |
| ***Decision*** | Section 8.1 of the current Constitution and Terms of Reference for the Audit & Governance Committee states:  "The Principal or any other senior manager who is responsible for the College's internal control and representatives of the External and 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 and necessary".  Members welcomed Karen Musgrave, the Financial Statements Auditor, to the meeting. Kashif Azeem, Internal Auditor, was not present.  **Resolved:**  **That College Management Staff and Auditor attend the meeting**. |
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| **19.20** | ***Apologies for Absence*** |
| ***Record*** | Apologies for absence had been received from Barbara Godby. |
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| **20.20** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Audit & Governance Committee meeting number 18 held on Tuesday 4 February 2020 (published on the Governors Extranet) were agreed and signed as a true and correct record of the meeting. |
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| **21.20** | ***Declaration of Interests*** |
| ***Record*** | There were no declarations of interest made in respect of the public items on the agenda. |
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| **22.20** | ***Appointment of Vice Chair*** |
| ***Decision*** | After due consideration it was:  **Resolved:**  **That Rob Wallace be elected Vice-Chair for the remainder of the academic year.** |
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| **23.20** | ***Financial Statements Audit Plan and Regularity Audit Plan for the Year Ending 31 July 2020*** |
| ***Decision*** | Consideration was given to the Audit Plan prepared by RSM, the College Financial Statement and Regularity Auditors, for audit work relating to the year ending 31 July 2020.  Karen Musgrave from RSM external audit was present at the meeting.  The purpose of the document was to explain the scope of the audit of the financial statements, the regularity assurance engagement, the proposed approaches and to highlight the key risks that the auditors would be focusing on.  **Financial Statements -**The primary responsibility of the external auditors, as detailed in the engagement letter dated 14 June 2018, was to form and express an opinion as to whether the financial statements of Myerscough College prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (F&HE SORP 2015) and UK GAAP show a true and fair view.  **Regularity Assurance –** The Auditors responsibility was to form a conclusion that 'during the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and the income received has not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.  'In addition, RSM would provide an independent reasonable assurance report in connection with the Teachers’ Pension Contributions for the year ended 31 March 2020.  Karen also pointed out that the Post 16 Audit Code of Practice, usually published in April each year, had not, as yet, been published. If, and when, the document was published RSM would have to abide by any changes proposed to the audit process.  Audit & Governance Committee noted the timetable had been agreed with Management.  Key risks affecting the Audit Plan were identified. The Audit Plan showed that the fees for 2020 had increased by £1,015. When the original contract was extended in 2018 it had been agreed to fix the fees for the four years of the contract. Karen pointed out that additional work was required this year following the College's registration with the Office for Students and the impact of Covid-19, particularly with regard to the furlough scheme.  She then responded to questions from Governors regarding the Plan, mainly around how the various elements of the work had been chosen. She indicated that the majority of the work was governed by the requirements of the regulator, which were contained in the Post 16 Audit Code of Practice.  Following discussion, Audit & Governance Committee concluded that the proposed Financial Statements and Regularity Audit Plan were satisfactory and gave value for money.  **Resolved:**  **That the Financial Statements / Regularity Audit Plan for the year ending 31 July 2020 be recommended to Corporation for approval.** |
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| **24.20** | ***RSM Report - Emerging Issues May 2020*** |
| ***Information*** | The Audit and Governance Committee received a report from RSM, the College Auditors, on emerging issues as at May 2020.  Karen Musgrave responded to questions from Governors on behalf of RSM.  Governors felt that the document had provided useful information and requested that it be distributed to all Governors.  **Resolved:**  **That the report be received.** |
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| **25.20** | ***Internal Audit Reports - May 2020*** |
| ***Decision*** | The Committee considered three Internal Audit reports.  Recommendations were graded according to their level of importance with Grade 1 being of high importance, 2 of medium importance and 3 of low importance. In the absence of the Internal Auditor, Karen Musgrave presented the report on behalf of RSM.  The first report was the Students Tracking/Monitoring Framework and focussed on how the College tracked student performance and progression using the newly installed ProMonitor system. The report found that the College had a number of controls in place to support the monitoring and tracking of students via this application. Two low and three medium recommendations were identified.  The first low level recommendation was for Management to introduce ProMonitor ‘champions’ in the different departmental areas to assist in cascading good practice within their departments. This was accepted by Management.  The second low level recommendation was for the Internal Quality Assurance (IQA) audit template to be updated to capture details of corrective actions, along with supporting implementation dates and action owners. Progress on the actions would then be followed up and documented as part of the Performance Management meeting for each department. This  recommendation was also accepted by Management  The first medium level recommendation suggested that Management should include details of the process for setting and recording outcomes of tutorial meetings within the ProMonitor Protocols document. The document should include screenshots of the system and supporting commentary. This was accepted by Management.  The second medium level recommendation related to the use of ProMonitor for residential students and suggested Management investigate the reasons why some interactions with residential students were not being recorded on ProMonitor by the Residential Support Team.   Management accepted this recommendation.  The final medium level recommendation related to one student sample with no interactions recorded and urged Management to ensure that student interactions are recorded on ProMonitor in all cases, including details of any additional support required.  Rob Wallace questioned the second medium recommendation and the likely impact this may have should Ofsted visit in the autumn. The Principal responded that action was being taken to implement the recommendation and training was already underway. The recommendations were also being built into the individual and College Self-Assessment reports.  Governors noticed that two of the recommendations had completion dates of 30 April and these would need reviewing. It was pointed out in the later report from the Director of Finance that one was a recommendation in progress and the other had been completed.  The second audit related to the College’s Student Recruitment and Schools Liaison Framework. The audit recommended five actions, three low and two medium.  The first low recommendation concerned the development of the School Engagement Strategy 2019-2022 and recommended Management finalise the current draft document and issue the approved Strategy to all members of staff, as appropriate. Management accepted this recommendation.The second low recommendation was to ensure that the Student Admissions Policy was followed for all FE students, ensuring that:    • All documentation was completed and retained for all applicants where applicable; and   • Confirmation of offers and interviews were retained on file for all applicants, where applicable.Management accepted the recommendation.The third low recommendation was that the College would ensure that the routine meetings within the Schools Liaison Department, where data extracted from the Schools Database was reviewed, were fully documented to ensure the identified actions and/or resourcing requirements were clearly recorded. Again Management accepted this recommendation.  The first medium recommendation related to ensuring that a policy and/or procedure note for the Schools Liaison process was produced to formally document the processes undertaken by the Schools Liaison Department. Management accepted this recommendation.  The second medium recommendation related to Management ensuring that the inputting of recruitment and enrolment data was correct and accurate to ensure the reporting of enrolment figures for each academic year via the Myerspace portal was accurate and timely. Management accepted this recommendation.  Rob Wallace pointed out that in the first low recommendation the proposed Strategy 2019 -2022 was already delayed by the first year and this may need to be reviewed. In addition, the second low and second medium recommendations required clarification between applications and enrolment.  Debbie Clayton, Staff Governor, accepted the need for clarification and would review the recruitment procedures.  The last report was the Internal Auditors Follow Up Report on their recommendations. The report showed:  For 10/22 (45%) of management actions they confirmed that these have either been implemented or superseded; and  For 12/22 (55%) of management actions, they confirmed that progress had been made and that these management actions should continue to be monitored until fully implemented.  In the report the Internal Auditor commented that due to Covid-19 he had been unable to attend the College to verify progress on the 12 actions identified to confirm the current situation.The Committee received this report.  **Resolved:**  **That the overall Internal Audit Report be received and the proposed actions of Management be noted.** |
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| **26.20** | ***Internal Audit Progress and Summary Report*** |
| ***Decision*** | The Committee considered the Internal Audit Progress and Summary Report Incorporating the Internal Audit Reports of May 2020.  For 2017/2018 the Committee noted that of the 21 recommendations proposed, 17 (81%) had been implemented, 2 (10%) were on-going, 2 (10%) was no longer required and no items were outstanding.  For 2018/2019 of the 10 recommendations proposed, 8 (80%) had been implemented, 1 (10%) was partially completed, 1 (10%) was no longer applicable and no items were outstanding.  For 2019/2020 of the 20 recommendations proposed, 4 (20%) had been implemented, 8 (40%) had been partially completed, 8 (40%) were not yet due and no items were outstanding.  Governors noted that due to Covid-19 and the inability to visit the College there were areas of discrepancy between the progress identified in the Auditors Follow Up report and this report.  It was agreed that all recommendations that were reported to the Committee as completed could be removed from future reports.  **Resolved:**  **That the report be received.** |
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| **27.20** | ***Strategic Risk Register*** |
| ***Decision*** | The Audit & Governance Committee gave consideration to the Strategic Risk Register report for 2019/2020.  The registers were categorised as:  Strategic Risks  Operational Risks  Financial Risks  Curriculum Risks  Estates Risks  Human Resources Risks  Governance Risks  Cross College Risks  Updates were highlighted and mostly related to notes to provide assurance.  The Deputy Principal, Finance and Corporate Services, reported that the Register had been amended with a greater focus on the impact and changes in delivery due to Covid-19.  **Resolved:**  **That the Risk Register be received.** |
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| **28.20** | ***Data Returns Report*** |
| ***Decision*** | The Committee gave consideration to the Data Returns Report noted the completion of all the statutory data returns within the required time frames.  **Resolved:**  **That the Data Returns Report be received.** |
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| **29.20** | ***Committee Membership 2020/2021*** |
| ***Decision*** | Audit & Governance Committee gave consideration to the recommendations for Committee Membership for 2020-2021.  The report indicated that a vacancy remained for a Student Governor on both the Audit and Governance and the Quality and Standards Committees.  **Resolved:**  **That the Committee recommend the Committee Membership, as presented, to Corporation for approval.** |
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| **30.20** | ***Timetable of Meetings 2020-2021*** |
| ***Decision*** | Audit & Governance Committee gave consideration to a draft timetable of meetings for the next academic year, which was based on current practice, although the dates of some meetings had changed slightly.  Following discussion it was  **Resolved:**  **That the draft timetables of meetings for 2020/2021 be submitted to Corporation for approval, subject to the agreement of the Finance and Resources and Quality and Standards Committees.** |
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| **31.20** | ***Audit and Governance Annual Cycle of Business 2020-2021*** |
| ***Decision*** | The Audit and Governance Committee considered the draft Annual Cycle of Business for the Committee for 2020-2021.  **Resolved:**  **That the Annual Cycle of Business for 2020-2021 be approved.** |
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