



## UNCONFIRMED MINUTES

### THE CORPORATION OF WALTHAM FOREST COLLEGE

#### AUDIT COMMITTEE

#### MINUTES OF THE MEETING HELD ON 10 MARCH 2020

#### MEMBERS OF THE COMMITTEE

Youness Abidou (Vice Chair)	present	Member
Renatta Nzomono	present	Member
Kapil Wadhvani	<i>apologies</i>	Member
Graham Woolnough (Chair)	present	Member

#### CLERK TO THE COMMITTEE

Val Bartlett Clerk to the Corporation

#### IN ATTENDANCE

Andrew Haddon	present	Interim Deputy Principal Resources (IDPCR)	Corporate
Abena Rodman-Tay	present	Director Finance & Estates	
Amir Ahmed	present	Director Services to Students	
Kalim Uddin	present	Head of I.T. and GDPR	
Carl Bullen	present	Scrutton Bland	
Paul Goddard	present	Scrutton Bland	

**1446 ATTENDANCE OF THE, INTERIM DEPUTY PRINCIPAL CORPORATE RESOURCES (IDPR), DIRECTOR OF FINANCE AND ESTATES, DIRECTOR OF SERVICES TO STUDENTS, AND HEAD OF I.T. AT THE MEETING OF THE AUDIT COMMITTEE**

The Committee agreed that the Interim Deputy Principal Corporate Resources (IDPCR), Director of Finance Estates (DF&E), Director of Services to Students (DSS) and the Head of I.T. should be invited to attend the meeting.

**1447 APOLOGIES FOR ABSENCE**

Kapil Wadhvani – work commitment

There were no other apologies.

**1448 DECLARATION OF INTERESTS**

There were no issues included on the agenda for the meeting in which they had a personal interest relative to the College.

**1449 MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETINGS HELD ON 21 NOVEMBER 2019 AND 9 DECEMBER 2019**

The Minutes of the Audit Committee meeting held on 21 November 2019 and 9 December 2019 were approved by the Audit Committee and signed by the Chair as a correct record.

**1450 MATTERS ARISING FROM THE MINUTES OF THE MEETINGS OF THE AUDIT COMMITTEE HELD ON 21 NOVEMBER 2019 AND 9 DECEMBER 2019**

- The Committee noted that the Integrated Financial Model for Colleges (IFMC) had been submitted to the ESFA on time. Discussion then took place regarding this being a forecast and not a budget, but that it included underlying assumptions and actions providing the ESFA with data to monitor colleges for any 'early warning' signs.
- It was acknowledged that whilst the College does not have a large debt, it is weak on liquidity, cash and profitability. In addition, the College has a substantial amount of sub-contracting and, internally, there is a need to understand the performance and contribution from this area with regard to each individual contractor. There is currently an ESFA consultation on sub-contracting taking place as the focus may well be to reduce this dependency.
- The IDPCR reported that a robust budget is currently being built up over the next 2 months and will aim to minimise any surprises with the detail being built into a report to coincide with the year-end forecast and out-turn. The Internal audit on budgeting will aid the drafting and input of this report.
- It was noted that the updated Post-16 Audit Code of Practice has not yet been issued.

There were no other matters arising from the Minutes of the meetings held on 21 November 2019 and 9 December 2019.

**1451 INTERNAL AUDIT REPORTS**

***GDPR***

This was a follow-up audit to review the progress made with implementing the recommendations raised in previous GDPR audit reports.

The Committee noted that 'Reasonable Progress' has been made and that of the 14 recommendations raised, 7 have now been fully implemented.

However, the College has not completed full mapping of the College data and that use of the Data Privacy Impact Assessment template is still being embedded. Both these recommendations have now been raised to medium risk to ensure these are completed as a matter of urgency.

The Committee was informed that data mapping has not been fully embedded due, in part, to staff changes. It has been agreed that each area will complete a data mapping exercise by the end of April 2020 with the DPO then signing these off. In addition, GDPR Champions have been introduced to assist each area, thereby providing more effective buy-in, ownership and responsibility from all staff.

Discussion was then held regarding clarity over who is the data controller and the need to ensure that the processing of third-party data is clear with contracts in place.

A Data Protection Impact Assessment template is now ready for use by staff and guidance regarding a Clear Desk Policy is to be issued by the end of the academic year.

The Committee then queried the capacity of the College's Data Protection Officer who is also the Head of IT, to ensure GDPR is embedded and if additional support may be required. It was acknowledged by the Internal auditors that some other colleges are struggling with GDPR, and that, by comparison, this College is doing quite well. It was noted that along with the GDPR Champions, it is envisaged that the DPO will be able to ensure compliance and monitoring to ensure that the College and staff stay up to date.

The Committee noted the recommendations regarding GDPR audit and the up to date position.

***18:40 YA joined the meeting***

***Safeguarding***

The objective of this audit was to confirm that adequate and appropriate controls are in place to safeguard learners and to comply with the Prevent Duty.

The assurance opinion for this audit was 'Significant'.

The 1 'medium' recommendation is to ensure all staff have completed the online safeguarding training and this is to be completed by May 2020.

The 1 'Low' recommendation was with regard to having termly audit reviews of the data entered onto the Single Central Register and this is now in place with termly formal reports to the SLT .

The Committee commended the Director of Services to Students and his team on this outcome from an audit of a very important cross- college service.

The Committee noted the recommendations regarding the Safeguarding audit and the up to date position.

The Committee noted the Internal Audit Progress report and the status of the relevant reports. In addition, it was acknowledged that the forthcoming Internal Audit on Budget setting is very timely and will provide helpful feedback, a critical eye and deep dive into current processes and controls.

The Internal Audit on Estates Management has been postponed and is not considered strategically important at this time.

The Audit Committee then reviewed the College's internal tracker on the current position regarding outstanding audit recommendations. It was agreed that a further column be added to RAG rate the recommendations. Governors concurred that this was a useful report, helping to identify progress and where attention needs to be focussed. It will also be reviewed by the Executive team on a monthly basis.

#### **1452 COLLEGE RISK REGISTER**

The IDPCR presented the Audit Committee with a draft of a reviewed Risk Register which now has fewer risks but provides a key focus on 6 main issues:

- 3 key financial risks
  - o The College's financial health; achieving financial objectives; financial solvency
  - o Cash flow to meet outgoings
  - o Deliver the budget; forecast an operating surplus; achieve funding income allocation against target
  
- 3 key learning and teaching risks
  - o Achieve standards at external reviews
  - o Provide effective and cost-effective staffing
  - o Maintain good and consistent outcomes; good learner experience

The Committee discussed the above in relation to the Strategic Plan, and current pressing issues around pay, to ensure there is a structure 'fit for purpose' and the need to improve the financial performance.

The Committee concurred that this draft provided a distilled, high level focus of the clear drivers, actions and risks, and requested that Safeguarding also be added.

It was agreed that in order to aid scrutiny and challenge by Governors, the top 10 high profile key risks be presented to Governors and that the SLT continue to monitor all risks internally as this will help remove a 'no surprise' culture.

In terms of scoring and change to the risks, the Committee requested that any movements be highlighted from previous versions to help monitor and track change.

*19:25 PG and CB left the meeting*

#### **1453 PROCUREMENT OF INTERNAL AUDIT SERVICES**

The Clerk to the Corporation informed the Committee that the Tender for Internal Audit Services had been issued via the Crescent Purchasing Consortium.

The Committee noted the dates for the tenders to be returned, then scrutinised and interviews to be held and the Clerk is to circulate these dates to all Committee members as a reminder.

**1454 FE INSOLVENCY GUIDANCE- ISSUED JANUARY 2020**

The Committee noted the above guidance and the need for Governors to have a shared responsibility for the strong financial management of the College.

This includes regular monitoring and review of monthly cash flow and the assurance regarding the cash reserve position.

In addition, there is a need to ensure the College Executive undertake robust and comprehensive monthly cash flow forecasting.

The Committee recommended that this guidance also be discussed at the next Corporation Finance Working Group meeting with information on sector benchmarks and the ESFA financial dashboards to also be presented.

**1455 ANY OTHER BUSINESS**

The Committee discussed the impact of the Coronavirus pandemic and were informed by the Clerk that the Instrument and Articles of Government do allow for meetings using videoconferencing, teleconferencing and also by written resolution.

It was noted that staff are being kept up to date with advice, there is daily monitoring, an action response team meets regularly and daily communications to staff are provided.

**1456 ITEMS TO BE ADDRESSED AT FUTURE MEETINGS OF THE AUDIT COMMITTEE**

The Committee noted that the agendas for future meetings would include the following items:

- Internal Audit - Monitoring Statement on issues previously identified in reports presented to the Committee
- Internal Audit - Review of Audit Reports
- Risk Register – review
- GDPR
- Review of the Performance of the Financial Statements Auditors
- Procurement of audit services

**1457 ACTION POINTS ARISING FROM THIS MEETING OF THE COMMITTEE**

- College tracker on outstanding internal audit recommendations - A further column is to be added to RAG rate the outstanding recommendations.
- College Risk Register - In terms of scoring and change to the risks, the Committee requested that any movements be highlighted from previous versions to help monitor and track changes.
- F.E Insolvency Guidance - This guidance to be discussed at the next Corporation Finance Working Group meeting with information on sector benchmarks and the ESFA financial dashboards to also be presented.

**These minutes have been approved by the Audit Committee and signed by the Chair as a correct record.**

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**Signed**

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**Date**