



THE CORPORATION OF WALTHAM FOREST COLLEGE

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 15 March 2021

MEMBERS OF THE COMMITTEE

Michael Eichhorn	present	Member
Renatta Nzomono (Chair)	present	Member
Graham Woolnough (Vice Chair)	present	Member
Jacqueline Young	present	Member

CLERK TO THE COMMITTEE

Naomi Shoffman	present	Director of Governance (DoG)
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IN ATTENDANCE

Janet Gardner	present	Principal & Chief Executive
Abena Rodman-Tay	present	Interim Deputy Principal Corporate Resources (IDPCR)
Stephen Pringle (SP)	present (item 1494 only)	Wylie Bisset(WB)

1488 ATTENDANCE OF THE PRINCIPAL AND OTHER COLLEGE MANAGERS AT THE MEETING OF THE AUDIT COMMITTEE

The Committee agreed that the Principal, and the INTERIM DEPUTY PRINCIPAL CORPORATE RESOURCES (IDPCR), be invited to attend the meeting. The Chair asked all to introduce themselves.

1489 APOLOGIES FOR ABSENCE

There were no Apologies.

1490 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.

1491 MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 16 DECEMBER 2020

The Minutes of the Audit Committee meeting held on 16 December 2020 were approved by the Audit Committee as a correct record.

1492 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 16 DECEMBER 2020

There were no matters arising from the Minutes of the meeting held on 16 December 2020 which were not already covered on this agenda.

1493 CALENDAR OF MEETINGS – 2020-21

Members noted the date for the next Audit Committee meeting in 2020-21:

- Thursday 10 June 2021

1494 INTERNAL AUDIT REPORTS 2020/21

The Audit Committee was asked to receive and consider two internal audit reports.

- **Fixed Assets**

The purpose of this assignment was to review the processes in place at the College for recording fixed assets. We reviewed the fixed asset register, the process for including additions, removing disposals, and calculating depreciation. We looked to provide assurance over the effectiveness of the fixed asset register.

The overall conclusion from this audit was 'strong' assurance and there were no recommendations made and five areas of good practice highlighted.

In terms of benchmarking, it was noted that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

The Committee commended the good report. A governor commented how pleasant it was to see this report and this assurance as there have been issues with fixed assets historically. SP said that Auditors always worry when no recommendations are made but re-assured the Committee that appropriate sample sizes were used and that a lot of work had already been carried out so everything should be in place now. Governors asked how this area can be monitored to sustain this assurance. SP said this will be done through continuous monitoring and regular updates along with ensuring end of month processes are carried out and closed off properly, as there is always a risk with a fixed asset register that is left unchecked. A governor asked if the UPEX register was checked and SP said he will check this and advise outside the meeting. A governor asked whether all the policies and any relevant documentation were looked at to ensure they are fit for purposes. SP confirmed they had looked at the suitability of policies and procedures in place for fixed assets. He confirmed in response to a question that the de minimus level was any item over £1000. A Governor said that the College is currently undertaking small capital works and asked whether the controls in place today would be suitable for a larger project in 12-18 months. SP said there were no issues with the current controls and reiterated that this is a positive report.

- **Safeguarding**

The purpose of the review was to assess whether the College's systems and procedures for safeguarding are fully compliant with legislation and the College are taking all necessary steps to protect its students. WB also reviewed the arrangements in place with regard to virtual learning as a result of Covid-19 to ensure that these processes are adequate and in line with College policies.

The overall conclusion from this audit was 'strong' assurance with one low grade recommendation in respect of training completion, particularly in relation to Prevent, which is behind schedule, will be completed by next month. As management are aware of this WB did not feel it needs a higher grade. 38 areas of good practice were highlighted using a check list which is why there is such a high number of good practice reported.

In terms of benchmarking, it was noted that the College has a similar number of recommendations compared to those colleges it has been benchmarked against.

Governors asked about safeguarding in terms of videoing lessons and what is the policy in terms of staff and students being recorded. SP confirmed that consent is required for any videoing and that the feature is disabled from the students' point of view. A Governor asked if most of the teaching is delivered by MS teams and the Principal confirmed that's the case. There followed a discussion around the security of the enterprise wide use of the MS teams platform and whether this had been checked as part of the safeguarding audit. SP said that within the scope of the audit the settings on MS teams are secure and suitable for safeguarding as the Teacher is in control of what can and can't be done in terms of content etc. SP said he will check and advise outside of the meeting as to whether the enterprise wide use of MS teams is suitable from a safeguarding point of view.

A Governor asked about the low completion rate of training; the Principal explained that it's the refresher training that hasn't been completed due to the fact that the process, which was previously based on each member of staff start date, has been changed to instigate an annual refresh for all staff at the same time every year.

A Governor said that in his organisation he gets a regular report on completion rates so any missing can be followed up swiftly. The Principal agreed that many colleges have systems that can produce such reports but at present this is being done manually. Moving forward there are plans to implement a new HR system that will produce this automatically.

- **Progress tracker – report**

The IDPCR spoke to the report which tracks progress on the Follow up recommendations from previous years. There were 23 old outstanding and partially completed recommendations from 2019/20 and 9 new recommendations from 2020/21. 27 recommendation have been completed so currently there are 5 outstanding recommendations, 2 of which are not yet due. The IDPCR took the Committee through the outstanding recommendations and the rationale for those that have only been partially completed. The Principal advised that the HR systems review is underway and will be completed by the end of April; this may result in a recommendation for an upgraded system as the current one will most probably not be fit for purpose and it is no longer supported, so this may delay the completion date. The findings will be reported back to this Committee and the Finance Working Group. The IDPCR concluded her report saying that WB will give their assurance for the follow up report which will come to the Committee in the summer term.

A governor asked about the IT infrastructure – JG explained that the HR and MIS systems are the main issue and as previously advised an external review is currently being undertaken so once completed this will move forward. There are some other systems that need reviewing, but these two areas will largely impact on the risk outlined; she confirmed that this won't affect the May 21 deadline for reviews to be completed and there will need to be further dates set for approval and implementation subject to availability of funds. In addition the Unit-e and pro-solutions review is taking place now and should finish at the same time. The progress made will depend on the outcome of the review.

The Committee received and noted the Internal Audit Reports. SP withdrew from the meeting.

1495 COLLEGE RISK REGISTER

The Audit Committee reviewed the College Risk Register, noting that there had been some additions:

- HR legal cases
- College reserves

The IDPCR said that the college is seeking advice on the legacy HR cases; one relating to 5 years ago, could have quite a significant financial impact, for which no financial provision has been made, which is why it's been added to the risk. The Chairs of all the committees have been updated in more detail on this case.

The risk around college reserves is due to the terms of the financial covenants around the pension liability, which has resulted in the negative reserves which effectively puts the college in breach of a default clause due to pensions; The bank has confirmed that this is an historic issue and given most colleges are in similar position, will waive it and for the purpose of the covenant state that it excludes pension liabilities, as they understand this is not operational and beyond the college's control. As soon as this waiver has been conformed in writing the risk will be changed. The IDPCR reminded the committee that the College has a lot of property as collateral and concluded her report saying that a paper on reserves will be coming to the Board meeting.

The Chair said that she plans to meet with the chair of the FWG and Exec team to look at how the RM framework approach and appetite could be strengthened and developed.

A governor explained how his organisation uses the risk register to determine a variety of scenarios and benefits to the organisation and how to look to exploit opportunities, as it isn't just about mitigating risk. He said he would be happy to offer his stress testing technique expertise.

The Principal said it would be helpful to use the expertise of the committee to enable the college to look at the RR in a different, more innovative way. Not just the traditional FE way but to be more

commercial. The committee agreed and also that the IA reports and plan should cross reference with the Risk register.

The Audit Committee received and noted the updated College Risk Register.

1496 APPOINTMENT OF EXTERNAL – FINANCIAL STATEMENTS – AUDITORS

The tender process for the appointment of Financial Statements auditors had taken place earlier that day. Three Firms had been invited to present but one was unable to do so at the last minute. The Committee agreed that following on from the presentations they had heard, committee members will complete and return the scoring sheets to the DoG who will compile the final scores and advise the Chair who will then I make a verbal recommendation for appointment to the Board.

1497 ITEMS TO BE ADDRESSED AT FUTURE MEETINGS OF THE AUDIT COMMITTEE

The Committee is asked to note that the agendas for future meetings will include the following items:

- Monitoring Statement on issues previously identified in reports presented to the Committee
- Internal Audits
- Review of Audit Reports and outstanding recommendations
- Risk Register
- Review of performance of Auditors duration

1498 ACTION POINTS ARISING FROM THIS MEETING OF THE COMMITTEE

- The Committee agreed that in future auditors should be invited to attend the whole meeting as their input on other reports may be helpful. A governor said they did not feel that the IA reports were presented very well as there were some questions not answered. A discussion ensued around the low number / lack of recommendations. The Principal explained that there had been a safeguarding audit last year. This was an additional piece of work because of the lockdown with a very clear scope on that in terms of support being provided to learners online. The report provided assurance that a lot of work has been done by teams to improve further. The Committee agreed it would be more helpful to have the person which carried out the fieldwork present as they would be able to answer the questions.
- The DoG will compile the final scores for the External Financial Statements Auditors tender exercise and presentation and advise the Chair who will then make a verbal recommendation for appointment to the Board
- The Vice Chair welcomed Naomi Shoffman to her first meeting and asked that his and the Committee’s thanks to Val Bartlett be recorded for all her support throughout the years.

19.23 finish

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