



UNCONFIRMED MINUTES

THE CORPORATION OF WALTHAM FOREST COLLEGE

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 28 JUNE 2018

MEMBERS OF THE COMMITTEE

Youness Abidou (Vice Chair)	apologies	Member
Renatta Nzomono	present	Member
Terry Wheeler	present	Member
Graham Woolnough (Chair)	present	Member

CLERK TO THE COMMITTEE

Val Bartlett Clerk to the Corporation

IN ATTENDANCE

Joy Kettyle	present	Principal & Chief Executive
Lynda Croft	present	Interim Deputy Principal Corporate Services
Leisyen Keane	present	Scrutton Bland (Internal Audit Service)
Jenny Brown	present	Grant Thornton (Financial Statements Auditors)

1357 ATTENDANCE OF THE PRINCIPAL AND OTHER COLLEGE STAFF AT THE MEETING OF THE AUDIT COMMITTEE

The Committee agreed that the Principal and the Interim Deputy Principal Corporate Services should be invited to attend the meeting.

1358 APOLOGIES FOR ABSENCE

Youness Abidou – work commitment
Paul Goddard (Scrutton Bland) – another work commitment

1359 DECLARATION OF INTERESTS

The Members of the Committee confirmed that there were no issues included on the agenda for the meeting in which they had a personal interest relative to the College.

1360 MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 1 MAY 2018

The Minutes of the Committee meeting held on 1 May 2018 were approved by the Audit Committee and signed by the Chair as a correct record.

1361 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 1 MAY 2018

The Committee was informed that all staff have now completed the mandatory on-line GDPR training.

There were no other matters arising from the Minutes of the meeting held on 1 May 2018.

1362 INTERNAL AUDIT REPORTS

The Audit Committee was asked to receive and consider Internal Audit Reports on:

(1) Subcontracting ESFA External Controls Assurance, (2) Student Attendance and Participation, (3) GDPR preparedness, (4) Apprenticeships, (5) Health and Safety, (6) Follow up of previous recommendations.

Members were reminded that there are 5 Assurance Levels provided by the Internal Auditors; Strong (1 of 5), Significant (2 of 5), Reasonable (3 of 5), Limited (4 of 5) and None (5 of 5).

Risk and Assurance Progress Report

The Committee noted that all Internal Audits for 2017-18 have been completed and reported upon.

The Interim Deputy Principal assured the Committee that the actions arising from all of the audit reports will be monitored on a monthly basis at the Executive Team meetings.

Subcontracting

The Assurance Level for this audit was Significant (2 out of 5).

The Committee was informed that the Education Skills Funding Agency (ESFA) requires lead providers subcontracting more than £100,000 of provision during an academic year to obtain a report from an independent auditor to provide assurance on the arrangements in place to manage and control its subcontractors. At the time of the audit review, the College worked with ten subcontractors to deliver both classroom based and apprenticeship provision. The total value of subcontracted provision for 2017-18 was £2,193,100.

The positive assurance indicates a robust framework in place and the 2 low recommendations have been accepted by management and are on target for implementation by July 2018.

The auditors are to provide the College with an assurance certificate for onward submission to the ESFA before the September deadline date.

Student Attendance

The Assurance Level for this audit was Reasonable (3 out of 5).

The Committee was informed that the audit area objective was to confirm that the College has adequate processes and procedures in place surrounding the identification and follow-up of student absences and to encourage student participation. In addition, the audit was to provide assurance that learners' attendance is being accurately and consistently recorded in line with College policy.

The audit raised two medium and two low risk recommendations to improve the system of internal controls.

Management has accepted all recommendations and assurance was provided to the Committee that the implementation dates of June and July 2018 will be met.

The Committee was then informed that there has been a delay to the 'go live' date regarding the implementation of ProSolution. The previous system – Unit e – was extremely bespoke to the College and this has led to issues regarding data migration and filters which have now almost been resolved. This delay to ProSolution has meant that enrolments for 2018-19 will be done using Unit-e whilst ProSolution will continue to be developed. It is anticipated that this will be a cost-neutral exercise.

The Principal informed the Committee that attendance continues to be scrutinised, including on a weekly basis at the Executive Team meetings and an Attendance Group has also been established. Attendance figures have worsened recently and it is imperative that attendance is scrutinised and recorded more rigorously.

The Audit Committee expressed its concern regarding attendance and requested that an update report be made available at its next meeting.

General Data Protection Regulations – GDPR Preparedness

The Assurance Level for this audit was Limited (4 out of 5).

The Committee was informed that the audit area objective was to confirm that the College is appropriately prepared to comply with the changes in legislation (GDPR) and to assess the level to which the College complies with the new requirements.

A draft of this report had been considered by the Audit Committee on 1 May 2018 and the audit findings reflected the position at that time.

An update on the recommendations indicated:

- 1 high recommendation regarding staff training on data protection was completed in May 2018
- 4 medium recommendations have all been completed
- 3 of the 4 low recommendations have been completed. The one outstanding recommendation relates to a College data retention schedule and it has been agreed that individual departments will keep their own records

The Committee acknowledged the hard work which has been carried out by Kalim Uddin (Data Protection Officer).

The Audit Committee will receive an update on GDPR at every meeting.

Apprenticeships

The Assurance Level for this audit was Reasonable (3 out of 5).

The Committee was informed that the audit area objective was to confirm that the College has effectively prepared for and is delivering within the structure of the new Apprenticeship Levy Framework.

The 2 Medium and 4 Low risk recommendations were accepted by Management with an implementation date of August 2018.

Health and Safety

The Assurance Level for this audit was Limited (4 out of 5).

The Committee was informed that the audit area objective was to ensure that the College has adequate Health and Safety management practices in place to provide a safe working and learning environment, compliant with Health and Safety legislation.

It was noted that there were 5 Medium and 3 Low recommendations.

The Committee was informed that the responsibility for the Health & Safety arrangements in the College have changed in the last 12 months.

The College has now employed a part-time, extensively experienced, Health & Safety consultant to support relevant staff in this area.

A number of gaps within the College record keeping for Health and Safety management have been identified and these are currently being addressed and rectified.

The Committee discussed the findings from this report in particular depth.

Assurances were provided to Governors that management are taking these recommendations very seriously and that appropriate actions are being undertaken. These actions include all staff completing a mandatory health and safety on-line training package.

The Internal Auditors commented that in their experience, Health and Safety is an area that the sector does have issues with.

The Audit Committee requested that an update on Health and Safety be provided at every Committee meeting including sight of the College Health & Safety Committee meeting Minutes.

Follow-up of previous recommendations

The Committee noted that the College has made satisfactory progress in implementing previous recommendations.

Of the 18 recommendations, 7 have now been implemented, 3 are in progress/part implemented, 7 not implemented and 1 recommendation has been unable to be concluded.

A discussion was held in particular concerning the recommendation regarding the enrolment of GCSE learners not meeting the condition of funding and it was noted that the College is continuing to investigate and resolve this issue by 31 July 2018.

The Audit Committee agreed to receive and note the Internal Audit reports and requested a further update on these findings at its meeting on 20 November 2018.

1363 INTERNAL AUDIT ASSURANCE STRATEGY AND ANNUAL PLAN 2018-19

The Audit Committee was asked to receive and consider the Internal Audit Assurance Strategy and Annual Plan for 2018-19.

The College's Risk Register has been mapped against the Internal Audit coverage and assurances and a proposed plan for 2018-19 has been drawn up.

It was agreed that room utilisation be included in the coverage for lecturer deployment and to include room space and lettings.

The Committee noted the proposed summary Internal Audit Plan for 2018-19 and agreed that it be presented to the Corporation at its meeting on 10 July 2018 for approval.

1364 FINANCIAL STATEMENTS 2017-18- AUDIT ARRANGEMENTS

The Committee noted the change of the Financial Statements Audit lead for 2017-18 from Toby Wilson to Jenny Brown.

The Financial Statements (FS) auditor reported on the arrangements for the Audit Plan of the College for the year ending 31 July 2018.

Governors were informed that the format is similar to previous years and noted the following in particular:

- The risk based audit approach which is being taken
- Identification of the significant risks (which are common to all entities regardless of sector) revenue cycle, management override of controls, going concern (recognition as a continuing College)
- Reasonably possible risks identified; grant income, tuition and fee income, employee remuneration, creditors/operating expenses, property, plant and equipment

The Audit Committee concurred that the main audit areas had been identified and that there were no other additional areas for review.

The Regularity Assurance work will take place at the same time as the FS audit.

The audit timeline, audit team, audit fees and independence of the auditors and the communication of audit matters were all noted.

The Audit Committee received and noted the arrangements for the Audit Plan for the College for the year ending 31 July 2018.

1365 RISK REGISTER – UPDATE

The Audit Committee was informed that the College Risk Register is to be reviewed by the College Risk Management Group and that a verbal update will be provided to the Corporation at its meeting on 10 July 2018.

1366 PROPOSED CALENDAR OF MEETING DATES -2018-19

The Audit Committee noted the dates of its meetings for 2018-19:

- Tuesday 20 November 2018
- Tuesday 12 March 2019
- Thursday 20 June 2019

1367 ITEMS TO BE ADDRESSED AT FUTURE MEETINGS OF THE AUDIT COMMITTEE

The Committee noted that the agendas for future meetings will 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
- Financial Statements 2017-18
- Review of performance of Financial Statements auditors

19:00 LK & JB left the meeting

1368 APPOINTMENT OF INTERNAL AUDIT SERVICES

The Committee was reminded that the 5-year audit contracts with both Scrutton Bland and Grant Thornton would come to an end after the 2017-18 academic year, however, the Corporation had approved the extension of these contracts for a further year pending the appointments to two senior posts.

It was also noted that:

- There is now no requirement to have differing audit services
- The current contracts can be rolled forward on an annual basis
- A tendering exercise may be considered to test the market

The Committee concurred that it would be prudent to recommend to the Corporation that the current contracts be rolled on a further year as the Principal is relatively new in post and the post of Deputy Principal Corporate Resources is currently filled by an interim appointment.

It was agreed that this issue be brought back to the Audit Committee meeting in March 2019 for further reflection.

1369 THANKYOU TO TERRY WHEELER

The Committee noted that Terry Wheeler will come to the end of his term of Office as a Governor on 31 July 2018.

On behalf of the Audit Committee, the Chair thanked Terry for his valuable and insightful contribution as a Committee member and wished him well for the future.

Kapil Wadhvani will join the Audit Committee as a member as from 1 August 2018.

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