



**WEST NOTTINGHAMSHIRE COLLEGE  
AUDIT COMMITTEE**

**Minutes of the meeting held in the Board Room at the Derby Road site on Thursday 6<sup>th</sup> April 2017 at 5.00 pm**

**BOARD MEMBERS PRESENT:** David Overton, Chair  
Neil Robinson  
Darren Wilkinson  
Jamie Fryatt

**ALSO IN ATTENDANCE:** Andrew Martin, Deputy Principal/Director Finance  
Maxine Bagshaw, Clerk ton the Corporation  
Tom Stevens, Executive Director Capital Projects and Estates  
Louise Knott, Vice Principal Communications Marketing and Learning Engagement  
Alistair Coulston, KPMG  
Louise Tweedie, RSM

Auditors confirmed that they did not wish to meet with members of the Committee without management present.

		<b>ACTION by whom</b>	<b>DATE by when</b>
<b>17.01</b>	<b><u>DECLARATION OF INTERESTS ON ANY ITEM ON THE AGENDA</u></b>		
	The Chair reminded those present to declare at the start of the meeting any interests in matters to be considered. None save for standing declarations were noted.		
<b>17.02</b>	<b><u>WELCOME INTRODUCTIONS &amp; APOLOGIES FOR ABSENCE</u></b>		
	Apologies for absence were received from Dame Asha Khemka, Andrew Argyle and Patrick Green.		
<b>17.03</b>	<b><u>MINUTES OF THE MEETING HELD ON 1<sup>ST</sup> DECEMBER 2016</u></b>		
	There were a number of minor changes requested: <ul style="list-style-type: none"> <li>• Dame Asha Khemka DBE to be listed in the ‘attendance’ list rather than the ‘membership’ list. It was noted that she is always invited to meetings but cannot, as the Principal, sit as a Committee member.</li> </ul>		

Signed : \_\_\_\_\_ Chair

Date:

- It was noted that Maxine Bagshaw Clerk to the corporation was not in attendance but instead Rachael Bates had attended to take the minutes of the meeting.
- Page 4 – the word at the end of paragraph 1 should be ‘reevaluation’ not ‘evaluation’
- Page 4, fourth paragraph - the word ‘English’ on the tenth line is spelt wrong.

The Clerk confirmed that she would make these changes and subject to the update it was agreed that the minutes were a true and correct record.

AGREED: to approve the minutes of the meeting held on 1<sup>st</sup> December 2016.

In terms of matters arising it was confirmed:

- Page 3 – in terms of the proposed change in the College’s academic year the Trade Unions have not yet been consulted but the senior team are looking at how to best implement the changes required for the 17/18 academic year. This is an item that is ongoing.
- Page 4 – the Deputy Principal confirmed that the College has received the outcome of the tri-annual pension revaluation and pleasingly the impact has been relatively minor. The employer contributions regarding LGPS have increased from 11% to 13.6%, although the annual cost has decreased from £189k to £91k. On the basis of the relatively minor changes there is no intention for the College to challenge or ask that the position be reviewed as the revaluation was not as bad as expected.

AGREED: to note the content of the update provided.

#### **17.04 ACTION PROGRESS REPORT**

Members reviewed the action progress table and it was acknowledged that this item had been concluded and completed.

AGREED: to note the update provided.

#### **17.05 INTERNAL AUDIT REPORT**

##### 1) Benchmarking of Internal Audit Findings for 2015/16

RSM introduced this report and confirmed that the information provided shows a comparison for the 15/16 year across their client base and also gives details of any 3 year trends. Members attention was drawn to:

- Page 1 – this sets out the assurance levels provided as options and also shows how the College compares. The data shows that WNC is comparable with the sector.

Signed : \_\_\_\_\_ Chair

Date:

She explained that there is no particular 'science' behind the comparison of assurance levels and that the analysis/fieldwork required at each organisation is different.

- Page 2 sets out the management actions resulting from internal audit findings. She confirmed that as far as WNC is concerned there are no areas of concern and WNC is fairly typical.

The Board questioned how many Colleges are supported by RSM and it was explained that there are 109.

AGREED: to note the update provided.

2) Framework for compliance and legal regulatory requirements – Safeguarding and Prevent

RSM introduced this report and confirmed that one of the areas directed as a focus for the College was Safeguarding and Prevent and specifically statutory compliance with policies and procedures. She was pleased to confirm a green RAG rating with substantial assurance being provided. She explained that the team had not looked at outcomes and that the focus had been processes.

Members' attention was drawn to page 21 and the action plan where it was noted that there is one medium and two low priority recommendations. The Committee asked for greater clarity regarding section 1.2 and the medium recommendation provided. The Vice Principal for Communications, Marketing and Learner Engagement explained that for the 16/17 academic year the College had changed its processes and safeguarding and prevent training had been completed using solar packs. These are online self-guided modules and part of the blended learning developments. Feedback from students was not very positive and they expressed the view that it was not clear in terms of what was and wasn't mandatory in terms of training.

She explained that for the 17/18 academic year the College is going back to basics and key areas, including safeguarding and prevent, will be part of face to face learning. She indicated that to address the gap seen in this report, March 2017 had been identified as a 'safeguarding month' which had helped to address the low percentage of students who had completed the training module. Certainly in terms of the on campus position this is now vastly improved. For next year it was explained that group tutorials will be built in to the curriculum and solar packs will supplement what has been provided in the classroom. The intention is to integrate safeguarding more in to the curriculum next year and make it more accessible and relevant to vocational learning.

It was acknowledged that external speakers are generally very impactful and the intention is to build more of this in to the programme for next year.

Signed : \_\_\_\_\_ Chair

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The Committee questioned whether 80% non-completion was a high percentage. RSM confirmed that it was high as, generally there is face to face delivery and students are not given the choice regarding attendance.

The Committee discussed page 28 and questioned whether the Governor representative attending the safeguarding steering group meetings should be identified as 'the executive mayor of Mansfield'. It was acknowledged that it is the Vice Chair who is the link Governor for safeguarding. RSM confirmed that they would make this amendment.

AGREED: to note the update provided.

3) Risk management and governance

RSM introduced this item and were able to confirm a green RAG rating with substantial assurance provided. She indicated that these management systems are well embedded in the College. In terms of BKSBS there is one low recommendation for improvement made at page 37. It was confirmed that this has now been addressed.

Members discussed page 42 and felt that there was a grammatical error in the final paragraph of section 2.2 the risk should be related to 'not achieving'. Again RSM confirmed that they would make this amendment.

AGREED: to note the update provided.

4) Internal audit progress report 2016/17 including internal audit charter April 2017

RSM introduced this item and confirmed that all field work has been completed or ongoing to plan. She explained that a review of key financials takes place over 3 visits but will come together as one report which is scheduled for presentation to the June meeting.

In terms of sector updates members attention was drawn to:

- Page 57 – this identifies the high priority actions identified within the sector. It was confirmed that funding eligibility and learner data is always going to be a high priority as the impact is financial if there are errors. In terms of policies and procedural documents these are not usually so high, however the new prevent requirements have taken some time to settle down and therefore more actions on policies and procedures had been identified when compared with other years. Finance, HR and staffing are always considered to be high priority matters. Assurance was given to the Board that all of the high priority areas identified have been reviewed by RSM at WNC over the last 4 years.

Signed : \_\_\_\_\_ Chair

Date:

Members' attention was drawn to page 69 and the reference made to data that is required to be published as part of the apprenticeship levy. The Committee questioned whether there was any sector guidance available on how 'publication' should take place. It was confirmed that AOC have not issued anything to date. The Deputy Principal suggested that publication could be within the SORP. It was agreed to await AOC guidance and noted that the College has until March 2018 to publish. The Vice Principal for Communications, Marketing and Learner Engagement confirmed that her annual report to the Board will include the 15/16 data required.

The Committee discussed the apprenticeship levy generally and it was acknowledged that there are very complex rules and some ambiguities regarding the requirements which could be open to interpretation. One part of this is the requirement that apprentices spend '20% of their paid employment on off the job training'. Exactly what 'off the job' training means is still to be clarified and until there is clarity this has to be considered a high risk area in terms of the Colleges provision. Also subcontracting apprenticeship delivery going forward is going to be a challenge and it is critically important to get it right as this represents £20 million of College activity.

In terms of the Colleges own levy payment this will be circa £100k and will be paid in to the digital account. The Committee were given assurance that HR are managing and assessing apprenticeship requests across the group to ensure that the levy payment is fully utilised. The College is keenly awaiting the introduction of the teaching standard as this will be really beneficial in terms of ensuring that staff who teach but are not qualified can, through the apprenticeship provision, obtain their teaching qualifications. It was noted that an added incentive is the exemption from employer NICs, introduced in April 2016, for apprentices up to the age of 25.

The Committees attention was drawn to page 74 where it was explained that there has been an external review of the work carried out by RSM and this should give the College assurance regarding the professional approach and the standards applied for customers.

Two other key matters brought to members' attention in terms of sector updates are page 76, vulnerability regarding cyberattacks, and page 80 email scamming. It was acknowledged that nearly all identified IT weaknesses are because of people not systems.

AGREED: to note the update provided.

Signed : \_\_\_\_\_ Chair

Date:

**17.06**      **COMPOSITE COLLEGE RECOMMENDATIONS REPORT**

The Deputy Principal introduced this item and confirmed that for the 15/16 academic year there are two actions outstanding, particularly relating to efficiency in the curriculum and staffing. It was confirmed that an update on these actions will be presented to the June residential within the KPI update. In terms of the two items outstanding for 16/17 these are not yet due for completion until July 2017.

Dir S&I

June 2017

AGREED: to note the update provided.

**17.07**      **RISK MANAGEMENT**

The Vice Principal Curriculum, Marketing and Student Engagement introduced this item and confirmed that the executive considered the current risk environment and made a number of changes to the significant risk register including:

- Now that discussions around area reviews have concluded, with the Colleges proposal to stand alone being accepted, mention of the area review as a contributing factor in risk has been removed.
- A new strategic risk regarding the Higher Level Skills Strategy and usage of the university centre has been added at risk priority 6. It was explained that the College simply has not had as much traction in terms of this development as it would hope. Full details of risk priority 6 were reviewed at page 102.

In terms of the contingent risk register the executive made a number of changes including:

- Splitting out risks related to safeguarding and prevent and those related to equality and diversity at risk priority 15 and 16 respectively. This was felt necessary to reflect the far higher risk implications should the College have issues with safeguarding and prevent. There has been the inclusion of an external review of safeguarding arrangements. Internal audit findings in relation to safeguarding and prevent have been discussed earlier in the meeting and Ofsted also found that the Colleges arrangements were strong.
- The addition of a contingent risk related to the Colleges estate development and maintenance has been added at risk priority 18.

In relation to the HE Centre it was explained that the College realistically is about a year behind where it expected to be, principally because it has taken longer to expand/validate the curriculum than originally anticipated. Being developed is a broader curriculum and the HE strategy is being rewritten to ensure that it takes full advantage of UCAS and also ensures that the curriculum meets local needs.

Signed : \_\_\_\_\_ Chair

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Q	<p>The Committee questioned whether it was possible to look at improved HE Centre signage. It was agreed that the Executive Director: Capital Projects and Estates would review this.</p> <p>Members' attention was drawn to page 108 and the risk relating to the introduction of the GDPR. It was explained that this piece of legislation is introducing some quite significant fines for failure to comply and inform of any data loss. The Committee were advised that College compliance in relation to this is a planned piece of internal audit work for next year.</p> <p>AGREED: to note the content of the update provided.</p>	ED CP&E	May 2017
17.08	<p><b><u>AOB</u></b></p> <p>There were no items of urgent business.</p>		
17.09	<p><b><u>DATE &amp; TIME OF NEXT MEETING</u></b></p> <p>29<sup>th</sup> June 2017 at 5pm.</p>		
17.10	<p><b><u>CONFIDENTIAL ITEMS</u></b></p> <p>It was agreed that confidential items would be recorded separately and were for College Governors only.</p> <p>Meeting closed at 6.15pm.</p>		

Signed : \_\_\_\_\_ Chair

Date: