



Minutes of the Meeting of the Audit and Assurance Committee 7 March 2023 at 5:30pm

Present	In Attendance
Sundeeep Bhandari (Chair)	Annette Cast (Principal)
Ying Kay	Bob Pattni (Deputy Principal)
	Robert Heal (Director of Governance)
	Thomas Parker – RSM Internal Auditors

1. Chairs Opening Remarks

The Chair checked the meeting was quorate. The Director of Governance confirmed that quorate with a minimum of 2 members present. The Chair welcomed everyone to the meeting.

The Chair then requested that with the prospect of a large capital build shortly, an item be added to the next agenda

A risk assessment be undertaken of project management and capital build – Action

The Chair requested an update on recent events:

The Principal overview the T Level Ofsted thematic visit and explained that there were no official outcomes as this information is consolidated into a report covering the 24 sample Colleges. Then she overviewed the recent LSIP driven employer engagement breakfast meeting, noting employers were offering internships.

2. Apologies for Absence

JL, ShR, MHLLP Auditors

3. Declarations of Interest

None

4. Minutes of the Meeting of 22 November 22

These were accepted as a true record. All action points were noted as complete or in agenda

5. Matters Arising Not on the Agenda

None

6i. Principals thoughts on risk

The Chair called on the Principal to give their thought to the College immediate risks. The Principal explained the key risks as student attendance, student behaviour, staff absence, staff culture, teamworking, staff recruitment/retention and student specific risks. She then overviewed the reasoning and the changes being made to mitigate against these risks. The Governors challenged the report and gave useful feedback. Governors also challenged specific concerns and the Executive gave an in-depth explanation of challenged risks.

The Governors noted the Principals thoughts on risk

6ii. FE Emerging Risk Radar

Paper from RSM auditors. The RSM representative explained the key risks and identified similarities to the Principals thoughts earlier, particularly staff retention. The Chair confirmed key risks were similar to industry sectors that he was aware of. The RSM representative also noted the new requirements on environmental standards, the (Office of National Statistics) ONS changes and the planned publication of an FE financial handbook.

FE Emerging Risk Radar to be shared with the Board - Action

The governors noted the FE emerging risk radar.

7i. External Auditors Tender Plan Update

The Deputy Principal overviewed the current tender situation and the process to meet the Government regulation; and noted the invitation to tender is being prepared. The expectation is that costs will increase, and any change of Auditors will commence next financial year. Governors challenged on value for money and that any appointment needs sector and Company knowledge.

The governors noted the external auditors tender plan update.

7ii. FE Benchmark Analysis

Data has been received from the Internal Auditors to allow the benchmarking of the College and the FE sector, with College specific data. The RSM representative explained that the College is regularly meeting the sector average, with occasional outliers, but generally there are no concerns. Governors challenged the specifics for the College and questioned outliers.

The governors noted the FE benchmark analysis.

8i. Internal Audit Follow Up Report

The RSM representative noted a large number of actions from previous reports had caused a few items to exceed the planned timeframe for completion; however, the priority has been reduced due to the actions that have been completed. Governors noted a good achievement in completing actions. The Executive gave an update on progress since the paper and ongoing explained actions were in place to complete outstanding items. Governors challenged why not completed and Executive explained. **Audit paper to Committee to confirm completion of actions - Action**

The governors noted the internal audit report.

8ii. GDPR Audit

The RSM representative overviewed the audit, the college has done well, but noted two medium actions, being the quality of documentation and staff training; and some recommended changes. There is no evidence of data breaches and College is in line with best practices. Governors challenged specific items and the resource to complete Subject Access Requests or Freedom of Information Requests.

The governors noted the GDPR audit report.

8iii. Governance Workforce Engagement Audit

The RSM representative, overviewed the audit plan and advisory report, which are considered as part of annual opinion. Apart from actions stated there was good compliance. Key points were timely updating of policies, workforce involvement and documenting JCIC involvement. There were no medium actions, and it was declared a good report. Governors challenged on policies. The Principal explained the process and program.

The governors noted the governance workforce engagement audit

8iv. Progress Report

The RSM representative reviewed the audit plan for the year and overviewed progress towards it; noting that Outcomes of Key Financial Controls is due imminently and likely to be very good.

The governors noted the progress report.

9i. Management accounts to 31 January 2023

The Deputy Principal overviewed the management accounts and the situation with pension actuarial valuation. Noting the forecast is to maintain a surplus. Governors discussed the pension valuation. Governors challenged the surplus, contingencies and capital funding. The executive explained the funding. Governors noted the financial reserves and challenged risk associated with this. The Executive explained the policy and planned use of reserves following the capital build in terms of refurbishment of other buildings and asset procurement.

The governors noted the management accounts to 31 January 2023

9ii. Monthly Monitoring

The Deputy Principal overviewed the monitoring report, particularly noting 16-19 learner numbers and associated financial impact. The Principal noted the dependency on satellites and explained that the college has since increased learners on the main site. Governors challenged student number targets and matching funding. This was explained as vagaries of lagged funding. Governors challenged the satellite delivery, the Principal overviewed the College strategy and direction, noting the employer demand.

The governors noted the monthly monitoring report.

10i and ii. Risk Register Review

The Deputy principal overviewed the changes, inc: staff utilisation and additional support for students.

10ii Deep Dive on Risk 6.3 particularly focussing on the impact of industry strikes and local pay discussions, asking what the financial impact of the College pay award proposal is and is there risk of strike action. The Principal explained the FE situation, our position and that there is a risk, we have met with unions and explained our income situation. The College proposed award and funding situation was discussed. Governors challenged opportunities and options.

The governors noted the risk register.

10iii. Key Performance Indicator's Review

The Principal overviewed the KPI's, explaining the benchmark data and key areas to rectify. Inc: Timetabling, Curriculum Planning, Student Recruitment and having the right courses to meet the employment needs. Governors challenged target setting for attendance. This was justified as setting at 85% to meet national expectations. The Principal also explained poor attendance mitigation plans. Governors challenged punctuality. The Principal explained issues seen and mitigation plans , inc: free breakfasts, new staff structures and student consultation action.

The governors noted the KPI review

11. Annual Review of Register of Interests

The Director of Governance overviewed Register of Interest, there were no comments

The governors noted the annual review of the register of interests

12. AOB

No AOB

Date of next meeting

4pm Tuesday 23 May 2023

Meeting ended at 7:10 pm**Signed****Chair****Date****Action points:**

Item	Action	Responsibility	Timescale
Previous	The committee gave BP authority to plan tender of external audit	BP	Ongoing
1	A risk assessment of project management and capital build	BP	May 23
6ii	FE Emerging Risk Radar to be shared with the Board	RoH	March 23
8i	Paper to Committee to confirm completion of Internal Audit actions.	BP	May 23