SOLIHULL COLLEGE AND UNIVERSITY CENTRE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 16TH MARCH 2020
AT THE BLOSSOMFIELD CAMPUS, starting at 5.30pm

PRESENT: Lucy Lee (Chair)
                Paul Large
                Geraldine Swanton (joined by Teams)
                Tony Worth (External)

IN ATTENDANCE: John Callaghan (Principal) [arrived at 7pm]
                Lindsey Stewart (Deputy Principal and Stratford Chief Operating Officer)
                Heather Evans (Vice Principal Finance)
                Pete Haynes (Vice Principal HR and Student Services)
                Sam Bromwich (Director of Risk, Control and Compliance) [arrived at 6.45pm]
                Theresa Lynch (Clerk)

                Theresa Lynch – Clerk

                Rosa Wells (Executive Director Employment and Skills and IoT) [joined by Teams]

                Louise Tweedie – RSM

1. **Membership**

   1.1 Apologies for Absence

   There were apologies for absence from Badri Gargeshnari.

   1.2 Declarations of Interest

   There were no new declarations of interest.

2. **Minutes of the previous meetings and matters arising and confidential items**

   The minutes of the meeting held on 27th November 2019 were **agreed** as a correct record and signed by the Chair.

   2.1 Anti-Fraud, Corruption and Bribery Policy and Strategy Update

   The Clerk presented the user-friendly flowchart for staff to provide a first point of call if considering use of the Policy. It was suggested that the flowchart be tested with a staff focus group to review effectiveness. **ACTION**.

   Q. Does the Whistle-blowing Policy have a route to inform the Chairs of the Corporation and Audit Committee?
   A. Yes, the Policy does require that the Chairs of the Corporation and Audit Committee be informed of any Whistle-blowing cases.

3. **Board Assurance Presentation – Apprenticeship Report** *(by Teams)*

   The Executive Director Employment and Skills and IoT presented information regarding board assurance for apprenticeship provision.

   Q. The presentation provides good assurance regarding robust processes – what makes this so?
   A. Yes, the processes take a lot of staff time. There is a clear structure and monitoring through the SLT, MOT meetings and monthly apprenticeship meetings.

Q. Where do you think the key potential risks and gaps are in the process?
A. The main issues is the evolving apprenticeship rules – it is important to continually keep abreast of the changing requirements and guidance. Need to also support employers in this endeavour and keep them on track.

4. **Risk Management and Board Assurance Reports**

The Director of Risk, Control and Compliance presented the Risk Management and Board Assurance reports and noted that CMT had been due to update all area risk registers, but due to the new priority of dealing with Coronavirus this had not yet taken place. This would have included the suggestion by the Committee to reflect on the year as a whole and report on the effectiveness of the Register and on any issues that were omitted (*see 11th November 2019 Audit Committee, item 4.1*). This would be picked up in due course. **ACTION**.

The Director of Risk, Control and Compliance explained that she had reviewed the Risk Management Policy and Risk Management Strategy and would be merging the documents into 1 for the Autumn Term. **ACTION**. It was noted that she would also be recommending annual review, which would be evaluated in due course, as appropriate.

4.1 Strategic Risk Register and Board Assurance Plan

The Director of Risk, Control and Compliance presented the Strategic Risk Register and Board Assurance Plan.

Q. If a lot of people have to work at home during the Coronavirus pandemic will there be enough band-width?
A. The College network is set up for remote working – staff will sign into the VDI in exactly the same way as they would whether they were in the office or not. From the College's perspective it should work, however, it is unknown as to whether staff have adequate devices.

It was noted that section 6 of the Risk Register did not include a pandemic in the list of potential critical incidents. The Vice Principal Finance, however, explained that even though it was not listed, the procedures set out for a critical incident had been useful and had been adapted to support the College at this time.

4.2 Pandemic Illness Incident Management and Business Continuity Plan

The Director of Risk, Control and Compliance provided an update regarding the current pandemic crisis and explained that the College was monitoring the situation day by day and complying with government guidance and directives, as appropriate. Staff were being informed by email and via the website. Meetings with managers were taking place to monitor and manage the situation day by day. Educational visits were being risk-assessed and cancelled, as appropriate. There had been a lot of staff and student queries and some staff were now starting to self-isolate for 14 days. The College would continue to manage the situation with a measured response.

Q. A lot of universities were stopping face to face teaching and starting to use their Virtual Learning Environments (VLE) more. Does the College have adequate remote resources?
A. Yes, the College has a VLE, but with vocational subjects it can be more difficult where skills are assessed. Further, Level 1 and 2 students often need more support from staff.

Q. Will payroll and payments be done if the College has to close?
A. Arrangements are in place to ensure that, as long as staff can access remotely, payroll and payments will continue. Where staff are paid by claims arrangements will be in place to ensure they are paid on-going.

Discussion took place regarding responses to the crisis by different organisations. It was noted that decisions about exams would probably be made nationally. Staff were currently completing

as many practical assessments as they could with students to ensure they were in a good position for whatever decision would be made in due course.

4.3 IoT Risk Register

The Director of Risk, Control and Compliance presented the IoT Risk Register and explained that it was now presented in the College format.

4.4 Stratford Campus Development Project Risk Register

The Director of Risk, Control and Compliance presented the Stratford Campus Development Project Risk Register.

Q. Will the Coronavirus have an impact on completion dates?
A. Completion is expected in June 2020 and currently the contractor anticipates finishing on time. If the College closes access will be arranged for work to continue.   Phase 2 may be impacted – work is on-going to design and cost the project. If Phase 2 is delayed this can be dealt with as it may give time establish whether there will be capital funding from the government.

5.   **On-going Board Assurance 2019/20**

The Director of Risk, Control and Compliance presented On-going Board Assurance report for 2019/10 and noted that it provided an update on external and independent assurance received since the last meeting.

6.   Internal Audit

The Internal Auditor explained that the Internal Audit reports presented were in a new style, which were now exception based. Rather than including all the areas that were compliant, the reports would now identify an outline of the work, findings and recommendations only. Discussion took place and it was noted that it may be useful for the full report to be made available to College in case reference was required in the future. **ACTION**. In terms of presentation to the Committee, the new report format was satisfactory.

6.1 Key Financial Controls

The Internal Auditor presented the report and confirmed substantial opinion with 1 low priority recommendation regarding asset tagging equipment other than IT equipment with a value over £1k.

6.2 Financial Support for Students

The Internal Auditor presented the report and explained that the audit had included bursary funds for students in receipt of Advanced Learner Loans, 16-18 Bursary (Vulnerable and Discretionary), 19+ Learner Support Fund and the College Hardship Fund. A judgement of substantial assurance had been given with one low priority action regarding eligibility based on age and the Management Team agreed that a report would be produced to check that eligibility continues throughout the student's programme of study.

6.3 Capital Projects Framework: Stratford upon Avon Campus

The Internal Auditor presented the report and confirmed substantial assurance, with one low priority recommendation to formally include review of the Stratford Campus Redevelopment Risk Register as a standing agenda item at the Stratford Campus Redevelopment Project Team meetings.

6.4 Progress Report – March 2020

The Internal Auditor presented the Progress Report and explained that the last 3 audits were due to take place on 30th March 2020, however, this would be dependant on developments regarding Coronavirus.

Discussion took place regarding the changes to new requirements with regard to cyber security, with the introduction of Cyber Essentials from July 2020 and Cyber Essentials Plus from July 2021. The Internal Auditor explained that changes from ISO/IEC 27001 had been applied with no consultation.

The Internal Auditor explained that the Audit Code of Practice was currently under review and would be out to consultation shortly. She noted that in some sectors there was increased emphasis on auditors commenting on organisational culture, but noted that this would mean a significant extension of audit assurance requirements. Currently it was anticipated that the auditors would identify themes in relation to cultural factors, as appropriate. It was noted that this kind of review can be very powerful and useful for an organisation.

The appendices identified in the Progress Report had not been included in the circulation for the meeting. It was agreed that the Internal Auditor would forward to the Clerk for distribution. **ACTION**. The Internal Auditor also agreed to forward additional information regarding cyber security requirements to the Clerk and Vice Principal Finance. **ACTION**.

Discussion took place regarding the briefing information about fraud. The Committee requested a presentation regarding the College's approach to fraud. **ACTION**.

6.5 Benchmarking Report

The Internal Auditor presented the Benchmarking Report and noted that the College demonstrated a high level of assurance and for 2018/19 were within the top 7% of colleges.

Q. Is internal audit focussed on the right areas?
A. Yes, the College has a rolling plan, which is reviewed annually with input from RSM based on their knowledge of the sector, risks identified through the risk management processes and board assurance framework. The Plan is produced annually following open and robust discussion with the management team. The Director of Risk, Control and Compliance explained that the College tended to put a lot of time into compliance work before the audit. The College's processes for audit preparation are very robust and the good assurance reflects this.

7. Financial Regulations Review

The Vice Principal Finance presented the Financial Regulations and noted that they had been reviewed. Some changes had been made regarding updating include the OfS and changes in titles. Detailed discussion took place regarding tender processes and wording around the receipt of late tenders and whether it was possible to have a level of flexibility. The Vice Principal Finance confirmed that she would re-word this section. **ACTION**.

> **RESOLVED** to recommend approval of the Financial Regulations, subject to the wording regarding late tender submission, to the Corporation.

8. Health and Safety Termly Report and Policy Review

The Vice Principal Finance presented the Health and Safety Termly Review. It was noted that 'other' related to accidents that had taken place at an offsite creche and they did not fit into any other category.

It was noted that no changes were recommended to the Health and Safety Policy. The Policy had not been appended to the Report, but would be made available. **ACTION.**

RESOLVED to recommend approval of the Health and Safety Policy to the Corporation.

9.   Value for Money Termly Report

The Vice Principal Finance presented the Value for Money report. She noted that the Compliance, Value for Money and Risk Special Interest Group would be reviewing whether the report met reporting requirements.

10.   All Additional Audit Work – non-confidential sections

The covering report and Appendix 3 RSM Proposal – Business Elevator Project Extension was deemed confidential.

10.1 ESF Report – 1st October 2019

The Director of Risk, Control and Compliance presented the ESF audit report undertaken on 1st October 2019 and noted that it had received a judgement of reasonable judgement. Recommendations had been made that were being addressed.

10.2 ESF Article 125 – On the Spot Verification Report

The Director of Risk, Control and Compliance explained that the outcome of the audit had been positive with no recommendations. It was noted that this was a very positive outcome. Discussion took place regarding the importance of the regular RSM audits on this area, that had enabled the College to prepare well and demonstrate good compliance.

10.3 RSM Proposal – Business Elevator Project Extension

This item was deemed confidential and the Internal Auditor left during consideration of this item.

11.   External Auditors Report

11.1 Performance Review of the External Auditors for 2018/19

This item was deemed confidential and the Internal Auditor left during consideration of this item.

11.2 External Auditor Fees 2018/19

This item was deemed confidential and the Internal Auditor left during consideration of this item.

12.   Management Report on Implementation of Audit Recommendations

12.1 Status Report for internal and External Audit

The contents of the Status Report for Internal and External Audit were received for information.

12.2 ESF Audit Report Tracker

The contents of the ESF Audit Report Tracker were received for information.

13.   Date of the next Audit Committee meeting

The next meeting of the Audit Committee would take place on 15th June 2020, starting at 6pm.

The meeting ended at 7.35pm.

Signed: _____   Date: 15 June 2020