

Audit Committee

Monday 18th November 2019

Minutes

Present: Heidi Dixon
Funmi Esuola
Angela Hille
Matthew Konneh
Zubair Shaikh (Chair)

In Attendance: Carol Kirkland
Shachi Patel, *Buzzacott* (items 1-5)
John Rubinstein
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Financial Statements Audit 2018-19
5.	Internal Audit: Preliminary Planning 2019-20
6.	Review of Audit Action Plan
7.	IT Risk Register
8.	Fraud Report
9.	Health & Safety and Environment
10.	GDPR Update
11.	Risk Management Plan
12.	AOB
13.	Dates of Next Meetings

Minute	Action, Decision or Recommendation	D/R/A
4.	To recommend the 2018-19 financial statements audit report to the Board for approval.	R
6.	To discuss governors' migration from personal emails to Woodhouse email at the next Board meeting.	A
8.	To approve the anti-corruption and anti-fraud policies.	D
8.	Governors to forward questions relating to the whistleblowing policy to the Clerk to discuss with HR.	A
10.	To approve the Data Protection Policy and its appendices, with minor amendments.	D

1. Governance

1.1 Apologies for Absence

None.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of 16th September 2019 were reviewed and approved as an accurate record of the events that had taken place.

2.2 It was agreed that, as there was no confidential minute, the minutes

would be uploaded to the College website in their entirety.

3. Matters Arising

7. The Clerk confirmed that she has re-circulated information on the ESFA Insolvency Regime to the Committee.
4. The Chair reminded the Committee that it was agreed at the October Board meeting that the role of the Audit Committee should be to review the processes relating to the College's finances and not the work of the Finance & Operations Committee itself. The Chair confirmed that the 2018-19 Annual Report of the Audit Committee has been amended to reflect this change.

4. Financial Statements Report 2018-19

Shachi Patel presented the financial statements report, confirming that Buzzacott would be issuing a clean audit opinion for both the financial statements and regularity assurance audits.

Shachi informed the Committee that the audit largely followed the same format as previous years with one addition; that the accounts now includes information relating to the Principal's basic salary as a multiple of the median of all staff. Shachi confirmed that this figure (2.7) is in line with that of other Colleges.

Shachi informed the Committee that the College achieved a surplus of £26.9k before the actuarial losses of £470k. **In response to a question from governors**, Shachi explained that there are a number of assumptions that go into the College's pension liability and the actuarial report has had a large impact this year.

Shachi drew the Committee's attention to one unadjusted item, this related to £55k of grant income received in the year from The Wolfson Foundation. The grant funded capital expenditure for an additional laboratory, science classroom and breakout space, was accounted as a deferred capital grant. Under charity accounting guidelines, as this grant is from a non-government body, the total grant should be treated as a donation. Shachi explained that under this treatment income is released as the asset is depreciated. £5.6k was released from deferred capital grants during the year in relation to this funding. If adjusted, the College's deficit would decrease for the year by £49.3k.

Finally, Shachi confirmed that the College's financial status continues to be outstanding. There being no further questions the Committee agreed to recommend the financial statements audit report to the Board for approval.

Decision

5. Internal Audit Preliminary Planning

Shachi Patel then presented the draft plan for the 2019-20 internal audit, explaining that the proposed areas are:

- Risk management (10 hours)
- Free school meals and bursary (2 days)
- Safeguarding (2-3 days)

Shachi informed the Committee that, in addition to the above suggested areas, there would be some follow-up work relating to the GDPR recommendations from last year's audit and this would be conducted by a GDPR specialist.

In response to a question from governors, Shachi explained that many colleges are considering areas as a result of the Bournville College investigation and, after some discussion, the Committee requested that 'expenses' is also added to this year's internal audit proposal.

Carol Kirkland explained that the Committee would approve the final internal audit plan at its January meeting.

6. **Audit Action Plan**

The Committee considered the audit action plan noting that a number of actions had been completed since the last meeting.

The Clerk explained that the GDPR working party had recently met to complete a number of actions, such as the review of the lawful basis on which the College collects its information. In addition to this, the Clerk confirmed that she has met with various College departments, including HR, marketing and admissions, to discuss their processes around GDPR.

Finally, the Committee discussed the actions that were still outstanding, noting in particular the recommendation for all governors to be issued with a Woodhouse College email address, rather than using a personal email. After some discussion, it was agreed that the College should proceed with this and it should be discussed at the next Board meeting.

Action

7. **IT Risk Report**

Heidi Dixon presented the IT risk register explaining that many of the risks remain unchanged from last year.

The Committee noted that staff migrated to office 365 in the summer, which had some teething problems but these were minimised due to the time of year.

In response to a question from governors, Heidi confirmed that all email accounts are shut down after a member of staff leaves the College. However, after a student leaves the College their email remains active until the end of September so they can access relevant information.

In response to a question from governors, John Rubinstein confirmed that the business continuity plan features on the main risk register rather than the IT risk register.

The Committee requested that all risk registers should have a key showing whether a residual risk has been changed.

8. **Fraud Report**

The Committee discussed the post-16 code of practice and fraud assessment (produced by Buzzacott) and noted that, as a result of this, a number of policies had been presented to the Committee for approval.

After some discussion, the Committee approved the anti-corruption and anti-fraud policies. The Clerk had also forwarded the College's whistleblowing policy to the Committee for information and it was agreed that questions relating to this policy should be forwarded to the Clerk to discuss with HR.

Decision

Action

In response to a question from governors, Carol confirmed that before the introduction of BACS, interception of cheques was common. But there have been no successful incidents of fraud since. The Committee was also reminded that fraud is always discussed as part of the risk management plan.

The Committee acknowledged that there are few incidents of fraud at the College but requested that, when an incident of fraud takes place, the College reviews its current practices.

9. Health & Safety and Environment

Carol Kirkland informed the Board that, so far this year, there have been 35 incidents, compared to 24 this time last year. The majority of incidents occurred either offsite, on the 3G pitch or were due to a recurring illness. However, Carol confirmed that one of these incidents related to a member of staff who fell on a chair that was already broken and this resulted in one day's sick leave.

In response to a question from governors, Carol confirmed that some incidents are reported to the safeguarding team if necessary but this is often not within their remit.

10. GDPR Update

The Committee was informed that there had been no breaches since its last meeting. However, the Clerk confirmed that the College has received a number of subject access requests; all from third parties (such as counselling services or the police) and the new Assistant Principal of Student Services has been vigorous in ensuring that the right paperwork and consent has been received before providing this information.

The Committee was presented with the Data Protection Policy for approval and requested that the 'right to be forgotten' is included in each privacy notice. After some discussion the Data Protection Policy and its appendices were approved.

Decision

The Committee was also presented with the Staff Computer Use and Data Protection Agreement, noting that this now includes a section relating to 'bringing your own device into the College', as previously requested by governors.

In response to a question from governors, Heidi confirmed that the new Outlook 365 software requires a second pin be entered when accessing College emails.

11. Risk Management

John Rubinstein presented the College's risk management plan, explaining that student enrolment is at target (1,480) and will not change now for the rest of the year.

John explained that the College will be moving to MyConcern, a safeguarding system used in many schools. **In response to a question from governors**, John explained that the welfare of the student is always the priority rather than the reputation of the College when a serious incident takes place.

John explained that the business continuity plan is reviewed annually alongside a desk-based test conducted by SLT. This test considers how students and parents would be informed if there was an issue with the site.

The Committee was informed that there have been 2 IT failures this year, one of which was a result of a connection issue between College buildings and a repair has now been booked in for February 2020.

The Committee noted that the Maths School project is taking up much of the SLT's time, and there are still key details to be agreed such as the use of the Imperial College name, which could delay the project.

The reduction of the College's Ofsted grade is still a possibility, especially given the recent maths results. **In response to a question from governors**, John explained that the College has a specific quality improvement plan for maths, which is being reviewed at every meeting of the Quality & Standards Committee.

John informed the Committee that funding has been announced which could result in an additional £500k for the College. However, this would not be confirmed until February 2020. The timing of this funding means that it could not be used to recruit until later in the year, meaning that the College may see a shortage in high calibre candidates. **In response to a question from governors**, John confirmed that the College has a relatively low turnover.

John confirmed that, due to the vote of NEU members not reaching the national threshold, the College would not see industrial action this year. **In response to a question from governors**, John confirmed that staff have been informed of the maths school plans.

John confirmed that this year's budget remains tight as expected and there have been no incidents of fraud this year.

12. AOB

None.

13. Dates of Next Meetings

9th December 2019

BOARD

20th January 2020

Annual Strategy & Training Event

27th January 2020
23rd March 2020
18th May 2020
6th July 2020

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The meeting concluded at 7:30pm.