

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held on Tuesday 03 March 2020

Membership	*P Bartlett (Chair) *C Chatt A Durcan *R Levy
*denotes present	*L Lin
In attendance	C Bullen, Scrutton Bland W Allanson, Deputy Principal P Whitehead, Vice-Principal D Morgan, Executive Director – Finance and Facilities B Nicholl, Executive Director – IT and MIS R Lucas, Head of Governance

937 Apologies for Absence

Apologies for absence were received from P Goddard, Scrutton Bland. The Audit Committee welcomed C Bullen, the College's new audit manager from Scrutton Bland, to the meeting.

No apologies for absence were received from A Durcan.

938 Declarations of Interest

C Chatt declared that he is a staff governor.

939 Minutes of the Previous Meeting

The minutes and the confidential minutes of the Audit Committee meeting and the minutes of the joint Audit and Resources Committee meeting both held on 05 December 2019 were agreed as an accurate record of the meeting and were signed by the Chair.

940 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

There were no non-confidential matters arising.

Confidential matters arising were considered as part of the confidential meeting and minuted separately.

941 Internal Audit

941.1 Maths Centre for Excellence

The Audit Committee received and considered the internal audit report on the Maths Centre for Excellence, presented by C Bullen, Scrutton Bland.

Governors were informed that the internal audit report on the Maths Centre for Excellence provided Governors with strong assurance that the governance,

risk management and control arrangements for the material risks reviewed are managed effectively and that no recommendations had been made.

Governors were informed that the audit concluded that the funding is being used effectively by all partners.

P Bartlett asked if there is a correlation with the Maths Centre for Excellence, audit report and the improved GCSE results. P Whitehead confirmed that the College has received extra funding to establish the Maths Centre for Excellence which runs alongside the delivery of maths across the College therefore there is a link with the project and maths outcomes.

P Bartlett asked if the audit report was intended just to report on the use of the funding and P Whitehead confirmed that this was correct due to delivery partners receiving funding from the College and the purpose of the audit was to ensure all funding is being accurately spent and accounted for.

The Audit Committee noted the internal audit report on the Maths Centre for Excellence.

941.2 Estates Management Follow Up

The Audit Committee received and considered the internal audit report on the Estates Management Follow Up, presented by C Bullen, Scrutton Bland.

C Bullen reported that the audit report concludes that good progress has been made by the College since the previous internal audit and that a green opinion has been given.

Governors were informed that six actions from the original audit had been completed and that one action is being implemented. A variation to this recommendation had been made in the follow up audit and this was highlighted to Governors. A further low level recommendation has been made which was accepted by management. .

The Audit Committee noted the internal audit report on Estates Management Follow Up.

941.3 Examinations

The Audit Committee received and considered the internal audit report on the Examinations, presented by C Bullen, Scrutton Bland.

Governors were informed that the internal audit report on the Examinations provided Governors with strong assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively and that no recommendations had been made, with no value added point being noted.

Governors were informed that the College has a robust framework and appropriate systems in place for examinations.

A discussion was held around the value added point relating to late student

registrations which incur a late registration fee. P Bartlett asked how much the College is spending on late registration fee and B Nicholl confirmed it is in the region of £10k. P Bartlett asked how much it costs per exam. For GCSE it is £34 per exam in advance and triple this fee if registered on the day and the cost for extended diplomas is £110, P Bartlett asked if £10k as a percentage of overall exam registration fees is high or low. P Whitehead reported that more qualifications have moved to being exam based therefore the College are registering a significant number of students for exams and that the College's expenditure on exam registration fees has increased dramatically over recent years.

The Audit Committee noted the internal audit report on the Examinations.

941.4 Internal Audit Progress Report

The Audit Committee received the internal audit progress report, presented by C Bullen from Scrutton Bland.

The Audit Committee noted that five audits have been completed and reports finalised and presented to the Audit Committee. The Key Financial Controls – Payroll and High Needs Learners audits have been completed and the College is awaiting the draft reports from Scrutton Bland. R Lucas provided feedback on these audits based on the feedback meetings held with managers at the time of the audit. Both are likely to be green assurances, with no recommendations for Key Financial Controls – Payroll and a few low level recommendations for High Needs Learners.

Governors were informed that the Learner Records audit had been deferred due to the comprehensive audit undertaken by the ESFA in the Autumn Term 2019. The Audit Committee approved that the days allocated to this audit could be used as management see best,

The Audit Committee noted the internal audit progress report.

942 Internal Audit Tracker

The Audit Committee received and considered the audit tracker, presented by P Whitehead, Vice-Principal.

Governors reported that the summary sheet provided them with a useful and clear oversight and summary position of the information provided in the audit tracker.

Governors noted that six recommendations have been completed and will be removed from the tracker. Governors' attention was brought to the eight outstanding recommendations, four of which are medium level and four of which are low level recommendations.

P Whitehead reported that the College is continuing to close off audit actions and that some of the outstanding audit actions will be merged with the ESFA audit actions. Governors noted that the external audit actions will also be added into the tracker.

The Audit Committee approved the audit tracker.

943 ESFA Audit

The Audit Committee received the report on the ESFA audit, presented by P Whitehead, Vice-Principal.

P Whitehead informed the Audit Committee that the College had submitted responses to the action plan and recommendations contained within the report and that the actions will feed into the audit tracker.

Governors noted that the auditors were satisfied to sign off last year's return however there are a range of actions for the College that cover all funding streams, some of which are very minor and some of which were an under-claim by the College.

P Whitehead highlighted that the most significant area of work is around apprenticeships, the regulation of apprenticeships and the demonstrating and tracking of the 20% off the job element.

Governors were informed that some of the implementation dates had passed with no progress recorded however this was done intentionally so that the Audit Committee could see the report in its entirety and how the College received it.

P Whitehead informed the Audit Committee that the audit was challenging however the College was able to provide the evidence required. R Levy asked how providers are selected for such an audit and P Whitehead confirmed that some are selected on risk and others selected at random so it is therefore possible that the College could be randomly selected again next year for an audit.

The Audit Committee noted the report on the ESFA audit.

944 Risk Register

The Audit Committee received and reviewed the Risk Register, presented by P Whitehead, Vice-Principal. Governors noted that all risks are reviewed by the College's Executive on a monthly basis and currently there are 16 risks on the risk register – eight high risks and eight medium risks. Governors discussed changes since the last Audit Committee meeting and noted that all risks have been reviewed and where appropriate, the risk control measures and / or sources of assurances have been updated.

Governors noted that no risks had been added to the register by the date the papers were issued however a new risk relating to the Coronavirus will be added to the register as the situation has developed further since the papers were issued. P Whitehead informed Governors that contingency plans are being put in place by the College in line with the College's Business Continuity Plan. The College is receiving a lot of queries from staff and students and the College is liaising with Public Health England and following their guidance.

Governors noted that the following risk "Failure to implement the required actions needed to improve the College's Health & Safety measures and Scrutton Bland audit scoring from high risk" had been deleted from the risk register as a full health and safety audit had been completed in November 2019 with a significant opinion being issued.

The Committee noted that two risks have been rescored, one with a higher risk score and one with a lower risk score, as follows:

- Risk 4 - Failure to achieve strong outcomes for students in respect of government performance measures (QARs, DfE tables, MLPs) and the quality of learning, teaching and assessment.

This risk has increased from 10 to 15 due to the College not meeting the minimum levels of performance for apprenticeships in 2018 – 2019.

P Whitehead informed Governors that the College had stopped hairdressing and barbering apprenticeships due to low performance however learners who are still on roll took the College under the threshold for minimum levels of performance. The College's electrical apprenticeship rates are in line with national benchmarks however this is below the minimum level of performance threshold. The College has reported these two issues back to the ESFA and plans are being put in place by the College to address these issues. P Bartlett asked if the Standards and Curriculum Committee were aware of this. P Whitehead confirmed that apprenticeships are a standing item on the Standards and Curriculum Committee agenda and that Ofsted had identified some areas of performance that need addressing therefore apprenticeships are prominent in the College's Quality Improvement Plan.

- Risk 11 – Recruitment of learners on HE programmes and compliance with OFS regulation.

This risk has decreased from 12 to 9 due to the appointment of a Head of HE who has been assigned to lead on HE across the College and that whilst the higher education recruitment target is low, the College has significantly over-achieved the target.

The Audit Committee approved the risk register.

945 Regularity Audit Self-Assessment Questionnaire Review

The Audit Committee received and considered the Regularity Audit Self-Assessment Questionnaire Review, presented by D Morgan, Executive Director – Finance and Facilities. .

D Morgan informed the Audit Committee that a mid-year review of the regularity audit self-assessment questionnaire was considered to be of good governance and that updates and amendments were highlighted in blue throughout the document.

Governors' attention was brought to oversees expenditure and general expenses for key management personnel. The oversees expenditure is linked to the Maths Centre for Excellence project for which the Chair of the Corporation endorsed the expenditure. The Principal's expenses have increased due to the amount of partnership work being undertaken, details of which the Corporation are informed of.

The Audit Committee noted the review of the regularity audit self-assessment questionnaire and requested that a further review is presented at the Audit Committee meeting taking place on 23 June 2020.

946 Report on Fraud Against the College

The Audit Committee received and considered the fraud report, presented by D Morgan, Executive Director – Finance and Facilities. .

The Committee noted that there has been no fraud or fraud attempts against the College since the last Audit Committee meeting. D Morgan confirmed that the IT spam filter system is working well.

The Audit Committee noted the report on fraud against the College.

947 Data Breach Report

The Audit Committee received and considered the Data Breach Report, presented by P Whitehead, Vice-Principal and R Lucas, Head of Governance.

The Committee noted that there has been one data breach since the last Audit Committee meeting relating to a staff member however following the risk assessment, it was deemed not to be reportable to the Information Commissioner's Office. .

The Audit Committee noted the Data Breach Report.

948 Any Other Business

There were no items of any other business.

949 Dates of Future Meetings

Summer Term	Tuesday 23 June 2020	08.30am
	<i>(including joint meeting with the Resources Committee)</i>	