

THE WINDSOR FOREST COLLEGES GROUP
(WORKING TITLE)

BOARD OF GOVERNORS

AUDIT COMMITTEE

MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT 6.00pm ON WEDNESDAY 7 JUNE 2017 AT STRODE'S COLLEGE

		<u>Meetings Attendance</u>
PRESENT:	Stuart Taylor	(Chair)
	Peter Tyndale	(Vice Chair)
	Tina Coates	(3 out of 3)
	Emily O'Neill	(3 out of 3)
	Gurpreet Nizzar	(3 out of 3)
	Sharon Hayward	(1 out of 1)
IN ATTENDANCE:	Graham Try	(Deputy Chief Executive)
	Pankaj Makwana	(Head of Finance)
	Kate Webb	(Chief Executive & Group Principal)
	Mark Eagle	(MacIntyre Hudson)
CLERK:	Lynn Payne	(3 out of 3)

PART I

The meeting started at 6.00pm

1. Post-Merger Election of Chair & Vice Chair 2016/17
Members unanimously agreed that the Chair be Stuart Taylor and the Vice Chair Peter Tyndale, until the end of this academic year. It had been agreed that new Chairs and Vice Chairs of Committees would be considered post-merger and then the usual process of electing Chairs and Vice Chairs of Committees for the next academic year would be the first agenda item at the next meeting.
2. Apologies for Absence
Apologies for absence were received from Darren Bryant.
3. Declaration of Interest
No member declared any conflict of interest with items on the agenda.
4. Minutes of the meetings held on 15 February 2017
The minutes of the meeting of the 15 February 2017, having previously been circulated to all members, were agreed as a true record and signed by the Chair.
All Members were agreed.
5. Matters Arising
It was noted that all matters arising would be considered within the agenda.
6. Standing Agenda Items
 - i) Risk Management Action Plan 2016/17 Update
This item was presented by the Deputy CEO. Members had received the Risk Management Action Plan 2016/17 update and noted the high risks summarised in Appendix A. The Deputy CEO said the summary of high risks reflected the College's key strategic priorities, including improving the quality of provision, maintaining strong financial health and viability and achieving a successful merger. It was noted that there was no significant change to the merger risks and that they would continue to be monitored by the Integration & Transition Committee. The Deputy CEO said the College's financial health remained strong, as shown in the

ACTION

Clerk

Period 8 Management Accounts, which forecasted a surplus improved position for 2016/17 above the target budgets for the year for both Colleges. He said that in addition, the updated financial forecast to the Board in May, forecast “outstanding” financial health for 2016/17 for the merged College as a whole.

The Deputy CEO reminded Members that the property strategy was due to be considered by the next meeting of the Board. He confirmed there was no change to the risk arising from the new Apprenticeship Levy arrangements, as the College had recently been informed that it had now been accepted onto the Register of Approved Training Providers (RoATP). The Deputy CEO advised this meant that there would be no interruption to the College’s ability to recruit Apprentices.

The Deputy CEO referred to a new risk relating to student recruitment and failure to meet planned numbers, which had been recently added to the risk register. He said the latest position on recruitment of 16-18 year old students for 2017/18 showed that application numbers were below expectations for Windsor College and Strode’s College and it maybe that the numbers would be reduced by up to 100 learners compared to the financial forecast target. He advised Members that this was being monitored closely by the Senior Leadership Team and would be reviewed further as part of the revised financial forecast to the Board in July.

Finally, the Deputy CEO said that the risk related to quality improvement and Ofsted had been previously reformatted in the light of the East Berkshire College inspection, including the explicit target to improve the quality of provision back to at least “good” at the next inspection. He said the enhanced controls now being put in place had been added to the individual risk sheet and the overall risk was increased in light of the requires improvement” inspection outcome for East Berkshire College. Members discussed the report.

Given the recent terrorist incidents in the UK, Members asked about the net risk level in relation to Prevent. This was discussed in detail and the Group Principal informed Members that advice had been taken from local contacts, including the Prevent Coordinators in Slough & Surrey. A full update was given to the Governance, Search & Strategy Committee and will also be given to the Quality & Curriculum Committee.

The Deputy CEO referred to a new financial risk that had arisen following the receipt of the latest Local Government Pension Scheme valuation for East Berkshire College. This has increased the employers on-cost by 1.4% from April 2017 and advisers increases in the form of lump sums of £187,000 from April 2018, rising to £383,000 from April 2019. The Berkshire Colleges are in communications with the LGPS and are discussing if and how this can be mitigated such as by phasing the payments over a longer period. This will be considered further in the context of the budget and financial forecast to the next Resources & Board meetings.

Members noted the report.

ii) Notification of Incidents of Attempted or Actual Fraud Identified

This item was presented by the Deputy CEO, who advised Members that there were no incidents or attempted or actual fraud to report.

iii) Log of Outstanding Recommendations from Internal and External Audit Reports

The Deputy CEO said that not much had changed since the last report to the Committee in February 2017. Members noted the status of outstanding recommendations, which were either implemented or ongoing.

The report was noted.

7. Strode’s College Financial Statements External Audit Strategy

This item was presented by Mark Eagle from MacIntyre Hudson and the Deputy CEO. Members were asked to consider the external auditors financial statements audit strategy, prior to the audit of Strode’s accounts. Members noted the report

Deputy CEO

attached from the external auditor at Strode's College, MacIntyre Hudson, for the external audit of Strode's accounts for the period 1 August 2016 to the day before the merger date, 8 May 2017. The Deputy CEO said the year-end external audit of Strode's College 2016/17 accounts was a statutory requirement and formed a key part of the assessment of the College's overall performance for the year. Members noted the external audit strategy highlighted in the report, which set out the scope of the review, the audit approaches and key risks for discussion with the Audit Committee prior to the commencement of the work.

Members discussed the strategy.

It was noted that the strategy document had been discussed between the MacIntyre Hudson's Director of Business Services and the Deputy CEO and Head of Finance on 26 May 2017. The external auditor said it was necessary to ensure there was a division between the Strode's College and East Berkshire College accounts and that they had agreed a way forward with the Deputy CEO and Director of Finance for this to happen. The Strode's College accounts would end on the 8 May 2017 they would then be brought to a Board meeting early in the autumn term for approval. It was noted this was a tight deadline and there may need to be a special meeting of the Resources Committee in early September, prior to the Board considering the accounts in October.

The report was noted

**Deputy CEO
/Clerk**

8. Committee Terms of Reference
Members noted the Terms of Reference, which had already been agreed by the Board.

9. Evaluation of Meeting
Members were pleased to complete an evaluation of the meeting, indicating where they felt they had added value and made appropriate challenge.

10. Dates and times of Future Meetings
Members noted the dates of future meetings as:

Scheduled for 6pm at Strode's College on: Wednesday 7 September 2017
Wednesday 15 November 2017
Wednesday 31 January 2018

11. Any Urgent Business
No other business was raised.

The meeting ended at 6.30pm.

Chair..... Date.....