



## BOARD OF GOVERNORS AUDIT COMMITTEE

### MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT LANGLEY COLLEGE ON WEDNESDAY 12 FEBRUARY 2020

		<u>Meeting Attendance</u>
PRESENT:	Stuart Taylor (Chair)	(2 out of 2)
	Tina Coates (by phone)	(2 out of 2)
	Peter Tyndale (by phone)	(2 out of 2)
	Anthony Haines	(2 out of 2)
	Rob Lewis	(1 out of 2)
IN ATTENDANCE	Kate Webb (Group Principal & CEO)	
	Graham Try (Deputy CEO)	
	Daniel Canham (Mazaars)	
	Pankaj Makwana (Head of Finance)	
	Juliet Holloway (Assistant Principal, Marketing & Business Development)	
	Maxine Wood (Assistant Principal, Further Education)	
	Roberts Disbury-Mockett (Head of IT & DPO)	
CLERK	Lynn Payne	(2 out of 2)

## PART I

### MINUTE No

### ACTION

**The meeting started at 5pm.**

1. Apologies for Absence  
There were no apologies for absence.
2. Declarations of Interest  
No Member declared a conflict of interest with the agenda.
3. Minutes of the Previous Meeting Held on 25 November 2019  
The minutes of the meeting of the 25 November 2019, having previously been circulated to all members, were agreed as a true record and signed by the Chair.  
**All Members were agreed.**
4. Matters Arising of the Previous Meeting held on 25 November 2019  
In relation to the matters arising relating to Marketing, Juliet Holloway was present at the meeting to comment as required.
5. Standing Agenda Items
  - a) Risk Management Action Plan 2019/20  
The Group Principal updated Members on the key risks on the current Risk Register. Members noted the highest current risks were as follows:
    - i. Overspending the 2019/20 budget and the risk of breaking loan covenants.
    - ii. Meeting learner number targets.
    - iii. External funding and budget risks.
    - iv. Reputation risk.
    - v. Failure to implement the Property Strategy, in particular the land sale at Langley, and support the College's financial strategy.
    - vi. Inability to recruit and retain high quality staff.
    - vii. Achieving Ofsted 'Good' at the next inspection. The College achieved this outcome

## MINUTE

### No

in November 2019 and so the risk was noted as no longer current for 2019/20 and was complete.

- viii. The risk of learners to harm and radicalisation, particularly given that Slough is a Tier 2 Priority Area.
- ix. Serious inaccuracy in funding claim following audit leads to a reduction (claw back) in grant funding.

Members discussed all the risks individually. The Group Principal advised members there would now be a new risk added to the register, which would be to maintain quality and continue to improve. The Chair asked the internal auditor present whether he felt the top risks as identified were as he thought they should be for the College. He confirmed they were as he would expect them, the only addition might be a risk relating to subcontractors, were there any? As there was no significant subcontractors he felt the top risks on the register were correct.

Members discussed the risk relating to marketing. They were reminded that the College's marketing function was outsourced in the summer of 2018, in order to seek to improve its effectiveness and to increase student recruitment. There was a discussion about the internal audit report at the last meeting on the marketing function and that Members had expressed disappointment that the head of the external marketing contractor was present, but not the College internal head of service (AP Marketing & Business Development). It was agreed that the Governance, Search & Strategy Committee would now take on the issue of considering the marketing provision but the AP Marketing & Business Development was happy to answer any questions on the marketing function. Members discussed whether they felt the marketing function was effective. The Group Principal confirmed that the Governance, Search & Strategy meeting would consider the re-tendering process for the service and they would look at how to shape the tender. There would also be consideration of the effectiveness of the service and the cost.

The Group Principal advised Members that the College was 30% up on applications for next year, although these needed to convert to offers and acceptances later in the year. She agreed the enrolment performance this year had been disappointing and the re-tendering process would be taken very seriously. It was noted the marketing tendering process would take place in September or October this year, after the enrolments for 2020/21 had taken place.

**The report was noted.**

b) Notification of Incidents of Attempted or Actual Fraud Identified

The Deputy CEO advised members that there were no items to report.

c) Log of Outstanding Recommendations From Internal and External Audit Reports

The Deputy CEO went through the update on outstanding recommendations and confirmed the new status updates were consistent and now clearer with implementation dates. The Deputy CEO confirmed the outstanding recommendations would be followed up by the auditors at their next visit and there would be a full report to the next meeting of the committee. It was noted most of the outstanding recommendations had been implemented and some would be ongoing all year.

**The report was noted.**

6. Internal Audit Report

The internal auditor, Daniel Canham, made his report.

IT General Controls. He confirmed this audit had been carried out by a specialist auditor. The overall assurance was substantial. There was one significant, and one housekeeping, recommendation made. These were discussed by the committee and it was noted they had been accepted by management. Members discussed the IT Disaster Recovery Plan and it was noted that it had not been formally tested, but had been informally tested. The Head of IT advised Members that over the summer there would be a full simulation test for IT disaster recovery with the finance system going offline. The Head of IT advised Members that there had been an informal test in year when a mechanical digger had severed a cable and the whole system shut down. He explained how the successful recovery of the system had taken place.

## ACTION

**MINUTE**  
**No**

**ACTION**

Risk Management and Assurance Framework. This audit had received a substantial assurance. There were two housekeeping recommendations, which were discussed by the committee and had been agreed by management.

Members noted the internal audit progress report confirming the two substantial assurance reports just reported on. It was noted that the four following audit areas would be covered with a report at the Audit Committee meeting in June:

1. Cash Flow Forecasting
2. Learner Number Systems
3. Core Financial Systems: Payroll.
4. Follow-up

The Group Principal referred to the ongoing implementation of the apprenticeship standards and funding, including the 20% off the job requirement. The AP BD&M confirmed that the College continued to make improvements to this complex process.  
**The reports were noted.**

7. Reviewing the Performance of the External Audit Service  
Members noted the report on the performance of the External Audit Service for 2018/19. The Deputy CEO went through the performance indicators, which were generally high. He confirmed the College were very satisfied with the auditors Buzzacott.
8. Evaluation of Meeting  
Members were pleased to complete an evaluation of the meeting, highlighting where they felt they had added value and made appropriate challenge and this is now included as a report at the end of the minutes.
9. Dates and Times of Future Meetings  
Dates and times of future meetings were noted as:  
  
Scheduled for 6.00pm at Strode's College on: Wednesday 3 June 2020
10. Any Urgent Business  
No other business was raised.

**The meeting ended at 5.50pm.**

**Key evaluation points from the meeting where Governors felt they provided appropriate challenge & added value:**

**Length of the meeting was about right.**

**Length of agenda items**

- The time spent on each agenda item was appropriate to inform the Committee's decisions and recommendations.
- The structure of the papers was easy to follow.
- The papers were clear and the information to support the decision making was fully complete.

**Challenge and Added Value**

1. Good discussion on the marketing facility, currently outsourced and consideration of the tender process scheduled for marketing for September/October 2020. It was agreed marketing to remain on the Risk Register.
2. Good discussion on the Risk Register and the risks highlighted in the internal audit reports. Discussion on risk appetites and how they may differ depending on risk.

Chair.....

Date.....