



BOARD OF GOVERNORS **AUDIT COMMITTEE**

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT VIA ZOOM ON **WEDNESDAY 10 FEBRUARY 2021**

		<u>Meeting Attendance</u>
PRESENT:	Stuart Taylor (Chair)	(2 out of 2)
	Mobolaji Alabi	(2 out of 2)
	Peter Tyndale	(2 out of 2)
	Anthony Haines	(2 out of 2)
	Rob Lewis	(2 out of 2)
CO-OPTED:	Nathan Garat	(2 out of 2)
IN ATTENDANCE	Kate Webb (Group Principal & CEO)	
	Graham Try (Deputy CEO)	
	Lucy Jarrett (Mazars)	
	Graeme Clarke (Mazars)	
	Pankaj Makwana (Head of Finance)	
	Roberts Disbury-Mockett	
CLERK	Lynn Payne	(2 out of 2)

PART I

MINUTE

No

The meeting started at 6.00pm.

ACTION

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 23 November 2020
The minutes of the meeting of the 23 November 2020, having previously been circulated to all members, were agreed as a true record and would be electronically signed by the Chair.
All Members were agreed.
4. Matters Arising of the Previous Meeting held on 23 November 2020
It was noted that all matters arising had been actioned.
5. Standing Agenda Items
 - a) Risk Management Action Plan 2020/21 Update
This item was presented by the Deputy CEO. Members had received the Risk Register detailing the high risks and summary.

Members were updated on the highest risks:
 - i) **The College overspends the 2020/21 budget and/or fails to reduce the operating deficit in future years, thereby adversely impacting financial health.**
Members were advised that the most recent 2020/21 forecast in the Period 5 Management Accounts to December 2020 was approximately £0.9 million under the £2.35 million deficit budget. The Deputy CEO confirmed that the high level forecast for future years, made to the Board in October 2020 would be updated in March 2021. Members

were advised that the enrolment report covered the risks to enrolment and funding, in particular there was a significant risk to the adult enrolments and future funding due to Covid-9. Members were advised that the cash balance was currently good and forecast to be over £7 million at the year-end, taking into account the reduced deficit and saving in replacement car parking spaces at Langley College together with the assumed safe receipt from C&E blocks and the other confidential property matters. The Deputy CEO also reminded Members that the College was debt free following the repayment of the Santander loan in November 2020. He advised members that the key future challenge was to reduce the high operating deficit by increasing learner numbers and funding and controlling and reducing costs. Members discussed the financial vulnerabilities around the adult enrolments and funding.

ii) **Failure to implement the approved property strategy and therefore failure to support the college's financial strategy.**

Detail on this matter would be covered in a separate agenda item in the Pt II meeting.

iii) **External College funding and budgetary matters, including Brexit, future funding levels and the funding of pension increases, risks and the future financial sustainability of the College.**

Members were advised that the ESFA had recently confirmed the continued funding of the teacher's pension increases until July 2022. The Deputy CEO advised Members the impact of Covid-19 currently continued to provide significant uncertainty regarding College budgets and the impact of the College's forecast in the monthly Management Accounts.

iv) **Inability to maintain and enhance the reputation of the College in order to maintain and attract learners.**

Members were reminded that the College's marketing function was outsourced in order to seek to optimise its effectiveness. He confirmed a comprehensive curriculum planning process was in pace to enable a relevant and attractive course offer to meet learner and employer needs. With regard to applications for 2019/20, the 16-18s were higher pre-Covid, but they flat lined post-Covid, as detailed in the enrolment report. With regard to the reputation of the College in respect of the 2 violent incidents outside the College in autumn 2020 involving College students, the Deputy CEO advised Members the College was working closely with the Police on initiatives to enhance safety and security.

v) **Ability to recruit and retain high quality staff in all areas.**

Members were informed that recruitment remained constant, especially with the recent on boarding of a number of Government funded progress coaches.

vi) **Severe disruption and adverse impacts on learners and College operations from the Coronavirus.**

The Coronavirus Advisory Group (CAG) of Governors continued to meet regularly to review and monitor arrangements arising from the Coronavirus. At officer level, the SLT and heads of Estates and Health & Safety meet regularly in the Coronavirus Operational Group (COG). The Deputy CEO detailed the lateral flow testing available at all three sites for staff and students and risk assessments that had been updated for those working on College sites at this time. With regard to the College reopening, the Government and DfE would be making an announcement on 22 February.

The other high risks were noted and Members were fully updated.

Members noted the report.

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 advised Members there were two outstanding audit reports, Marketing & Public Relations and Risk Management and Assurance Framework.

In relation to marketing and public relations the Deputy CEO advised Members this had not taken place due to the Covid pandemic and there was a plan to launch a brand new perception survey to assess the perception of The Windsor Forest Colleges Group and how it compared to its competitors, in the summer. Members asked whether there were any other

MINUTE

No

ACTION

actions planned between now and July to see how learners were responding to marketing and recent events at the College and whether any mitigating actions were needed as a result. The Group Principal referred to the fortnightly meetings at the College where applications were considered, she confirmed applications were steady, although less so for Langley. It was noted the issues at Langley were not just limited to lack of flow from the feeder schools. Work was underway to increase enrolments at Langley and colleagues were not just waiting for the perception survey in July.

Overall, applications at Windsor College were steady and Strode's College was up but Langley College was down.

With regard to risk management and assurance framework, this audit would now take place in July with a report in the autumn term.

The report was noted.

6. Internal Audit Report

There were three reports to consider.

i) Estates Management

Members were advised the assurance from the auditors on effectiveness on internal controls was substantial assurance.

ii) Payroll

Members were advised the assurance from the auditors on effectiveness on internal controls was substantial assurance.

iii) Internal Audit Progress Report

Members were advised that the work in relation to Core Financial Systems, Payroll and Estates Management had been completed. The work in progress was for an audit in Human Resources and Learner Number Systems and these were due to take place in March and April 2021. In addition to these audits, the auditors had confirmed they would bring forward the Marketing Review in the plan to ensure that the current Chief Executive had the opportunity for input prior to leaving the College. It had been planned to bring the review forward to January 2021, but has now been agreed to defer the review until a time when the new Chief Executive has had an opportunity to settle into the role. It is therefore scheduled for 5 July 2021.

Members note the plan for the rest of the academic year.

7. Evaluation of Meeting

Members were pleased to evaluate their performance and review the papers. Agenda items and the papers were considered sufficiently comprehensive to inform Member's decisions. There was an interactive discussion on the risk management action plan and internal audit reports.

8. Dates and Times of Future Meetings

The date and time of the next meeting was noted as being scheduled for 6pm on Wednesday 2 June 2021

9. Any Urgent Business

The Chair advised Members this would be Pankaj's last meeting, having been with the College for 7 years. Members thanked his for his work in that period and wished him well for the future.

The meeting ended at 6.40pm.

Chair.....

Date.....