

# HILLS ROAD SIXTH FORM COLLEGE

## Audit Committee Meeting

Minutes of the Meeting held on Wednesday 24 February at 6.00pm

### Present:

**Independent Chair** Laragh Jeanroy

**Corporation Members** Peter Brindle, Edmund Brookes, Jonathan Culpin, Dinesh Jacob, Tony Minson, Julie Taylor

**Clerk to the Committee** Robert Smith

**Observers** Jill Aberdour (Assistant Principal – Resources), Mark Ashton-Blanksby (Icca: internal audit service), Jonathan Sansom (Director of Digital Strategy (part of agendum 5 only))

### Principal Business

*Item Title*  
*No.*

- 5** Risk Management Registers
- 6** Safeguarding and the Prevent Strategy
- 7-9** Internal Audit Reports

#### 1. Apologies for Absence/Quoracy

All members were present.

The attendance of Rakesh Shaunak (MacIntyre Hudson: financial services auditor) was not required for this meeting.

#### 2. Declaration of Interests

None.

#### 3. Minutes of the Previous Meeting – 14 December 2015

The minutes were approved as a correct record of the business transacted, and *prima facie* evidence of the proceedings to which they relate.

#### 4. Matters Arising from the Minutes

None.

#### 5. Risk Management Registers

Risk Registers, highlighted to record revisions, updates and deletions, were received for consideration in connection with the following activities: Enterprise (Risks 1-3), Estates (Risks 4-5), Finances (Risks 6-8), Governance (Risks 9-11), Human Resources (Risks 12-14), IT (Risks 15-19), Leadership and Management (Risks 20-24), Support and Guidance (Risks 25-28), and Teaching (Risk 29).

In relation to the Governance register a new risk concerning the Corporation's responsibility for safeguarding had been added, which was approved (Risk 11).

In relation to existing risks it was reported that:

- Adult Education enrolments for both the Autumn 2015 and Spring 2016 terms are buoyant with revenue comfortably ahead of the same period in 2014-15 (Risk 1);
- the Sports and Tennis Centre remains on budget for 2015-16 overall (Risk 3);
- developments under the Phase V Property Strategy are expected to be delayed by up to two weeks, but this is not regarded as critical (Risks 5 and 8);
- the internal audit review in Jan 2016 of Safeguarding/Prevent identified that some staff had not undergone all necessary training and that gaps exist in the single central record - both issues are in the course of being addressed (Risk 12) – see also Minute 8 below;
- functionality issues with appraisal software have been escalated up the chain at the software providers, and the Director of Digital Strategy has become involved at College level – roll-out of the system has not progressed as anticipated but, since the majority of appraisals are carried out in the summer term, it is intended that these issues will have been resolved in time (Risk 13);
- as part of a plan to control more closely expenditure on computer hardware whilst ensuring against physical failure of components (especially screens), a full infrastructure review is underway, including WiFi and Bring Your Own Device (Risk 15);
- the area based review for Cambridgeshire will take place in the fifth and final wave of reviews commencing in November 2016 - alongside the Joint Study being carried out by independent consultants, and the Principal is meeting regularly with key stakeholders to help inform the decision-making process (Risk 20);
- the Internal Audit of Safeguarding in Jan 2016 reported on some gaps in our training of staff in particular in respect of Prevent, which are being addressed during the spring and summer terms on a risk based approach (Risk 22) – see also Minute 8 below; *and*
- the Deputy Principal and the Head of Study Skills have drawn up a new policy on Special Educational Needs and Disability (SEND) to ensure that the College is meeting the expectations laid out in the SEND Code of

Conduct (0-25) and a parallel policy relating to adult students is being prepared by the Director of Business and Finance (Risk 27).

The proposal to delete a mitigating action in relation to Risk 13 (resistance by some members of staff to a 'self-service' HR environment) was noted and approved.

The Director of Digital Strategy attended the meeting to answer members' questions concerning IT. In this regard it was reported that:

- the primary backup site is located in the Sports Centre, which has a separate power supply from the College and affords separate controlled shutdown facilities;
- specialist disaster recovery software has been installed;
- running a 'black start' (i.e. total system recovery) for testing purposes would be unacceptably disruptive to the operations of the College;
- when the existing backup provision has been accessed to solve bespoke problems data recovery has always been fully achieved, which is strong evidence for the robustness of the systems employed; *and*
- given the need, owing to financial constraints, to extend the life of computing equipment, a higher incidence of component failures can be anticipated (see Risk 15: Risk Register).

Members otherwise noted that:

- in relation to the ability, in the context of the move to a linear 3 A level curriculum from September 2016, to maintain an appropriate curriculum balance (Risk 25), it was reported that the outcome for 2016 is expected to be a modest improvement on the original projections for the year, with curriculum balance largely maintained, in part owing to an increase in the number of admissions (in which regard future increases in student numbers may help to bolster minority subjects) – members noted that mitigating actions in this regard should be recorded on the face of the Register, and the risk adjusted to Amber in view of 2016 data;
- in relation to the risk of being unable to successfully meet the growing number of social, emotional and mental health needs of students (Risk 28), it was reported that the tutorial team is having to identify problems sufficiently early for an effective intervention to be made whilst maintaining an awareness of boundaries (e.g. where tutorial intervention might actually constitute 'negligence'), and that there is an increasing dependence on external help at a time of scarce College resources; *and*
- there needs to be consistency between the assessment of related risks (e.g. Risk 21 - failure to preserve the quality of educational experience for students, which is currently rated Red because of concerns over funding, and Risk 29 - failure to maintain the quality of teaching and learning, which is currently rated Green).

Members additionally noted that a number of measures, approved at the previous meeting, intended to increase committee effectiveness, had been actioned namely:

- individual risks had been numbered sequentially throughout the Register to assist ease of reference; *and*
- the dates of meetings of the College Strategy Team at which the Risk Register is considered had been circulated to Audit Committee members for the Spring Term, the next meeting being on Thursday 19 May at 3pm.

The registers were recommended for approval by the Corporation.

## **6 Safeguarding and the Prevent Strategy**

A paper prepared by the Clerk to the Corporation was received.

The Committee approved the following recommendations to the Corporation:

- that a member of the Corporation be nominated to lead on behalf of the Corporation its oversight of safeguarding and the Prevent Strategy; *and*
- that, all independent members of the Corporation and the Parent Nominee Member of the Corporation be required to complete prescribed certificated online training as provided by the College by a specified date.

In relation to the first proposal, it was recognised that the Corporation exercises its responsibilities jointly as a corporate person and cannot, with certain specified exceptions, delegate them to an individual member thereof, and that a member nominated to lead on the oversight of safeguarding and the Prevent Strategy will not therefore be *acting* on behalf of the Corporation, but will be *taking a special interest in the topic*.

## **7 Internal Audit Report: Fundamental Financial Controls**

A report prepared by Icca Education Training and Skills was received for consideration.

It was noted that the overall assurance conclusion was 'substantial'.

In relation to the general ledger month-end procedure it was reported that a review of the month-end process supporting the production of the management accounts had identified that, following new members of staff taking over their production, the accounts had not been produced to deadline, that no month-end checklist exists to support the finance team in this regard, and that a checklist should be implemented with target dates and tasks assigned to finance team members to ensure the production of management accounts on a timely basis – this is to be implemented in time for the April 2016 management accounts.

In relation to non-compliance with College financial regulations the College should ensure that all staff complete a purchase order requisition prior to ordering any good or service, and ensure that no payment is made in the absence of a purchase order raised in accordance with the College's financial

regulations. In this regard the need to update the Financial Regulations concerning the procedures attending the authorisation and payment of invoices for building works was noted.

## **8 Internal Audit Report: Safeguarding (including Prevent Duty)**

A report prepared by Icca Education Training and Skills was received for consideration.

It was noted that the overall assurance conclusion was 'reasonable' with three areas requiring improvement and action – safer recruitment, single central record and safeguarding training.

In relation to compliance with the 'Safer Recruitment Requirements', the College should ensure that safer recruitment procedures are followed, that all outstanding information in respect of previous appointments is obtained and validated, and that a detailed record of the findings of the resultant reconciliation and action is retained to ensure the provision of a clear audit trail.

In relation to failure to meet Department for Education and Ofsted requirements in respect of maintaining an accurate Single Central Record (SCR), the College should ensure the reconciliation of the SCR to personnel files is completed at the earliest opportunity and that attendant errors and omissions are corrected.

In relation to the College's responsibility to discharge in full its safeguarding responsibilities and embed the provisions of the Prevent Strategy, the College should ensure that training sessions are carried out covering all staff who have yet to undergo safeguarding and Prevent training, and that all staff be reminded that this is a mandatory requirement (and that failure to attend may lead to possible disciplinary action).

It was recognised that the issues raised by the audit are of significant concern to Ofsted, and the Corporation must receive explicit assurance that all have been fully addressed and the recommendations fully implemented.

It was noted that a follow-up audit will be conducted during April.

It was agreed that the Deputy Principal and the Assistant Principal (Resources) be required to attend the next meeting of the Committee to answer members' questions concerning safeguarding and Prevent, and that, assuming the Committee's recommendation to have been accepted, the member of the Corporation appointed to lead on these issues, if not a member of the Committee, should also be required to attend for this purpose.

In view of the improvement actions already being undertaken, it was recommended that the risk be assigned an Amber rating.

## **9 Internal Audit Advisory Report: High Needs Support Funding**

An advisory report prepared by Icca Education Training and Skills was received for consideration.

It was noted that, because the report is advisory only, no level of assurance had been offered.

In relation to initial assessment and the Education, Health and Care Plan (EHCP), it was recommended that the outcomes of the assessment and the content of the plan be summarised in more detail to provide a clear link to relevant support plans. It was noted that the recommendation had been accepted.

In relation to cost calculations attending the administration of high needs students, it was recommended that cost calculations and hourly rates be simplified and grouped under appropriate headings to ensure that all cost data is captured. A specimen schedule of headings was provided.

Various recommendations were made in relation to how specialist teachers and mentors record attendance.

Various additional recommendations were made in relation to the detailed and complete recording of relevant data about each individual student's additional support needs, whether or not they have an EHCP, and the nature of the learning difficulty and/or disability.

## **10 Audit Committee Self-Assessment**

A paper prepared by the Clerk to the Corporation, together with a specimen Audit Committee Checklist, was received and considered.

It was noted that the Committee must show not only that it has fulfilled all the responsibilities vested in it, but also that the manner in which it has fulfilled them reflects the best level of scrutiny. In particular it needs to evaluate the improvement effect, if any, of its revised approach to overseeing College risk, and whether or not it has had a positive effect on the quality of the advice which it gives to the Corporation in this regard.

It was suggested in the paper that additional areas for the committee to review might include:

- how it interrogates internal and external audit reports, and whether it might periodically require the attendance of relevant College staff to answer the committee's enquiries in respect of them; *and*
- how it might more effectively scrutinise internal audit plans, particularly in the context of achieving best value for money.

Members agreed that the specimen Audit Committee Checklist comprises a useful reference for self-assessment on a formal basis, and that the Independent Chair of the Committee, the Vice Chair of the Committee and the Clerk to the Corporation be asked to present a revised list suitable for the Committee for consideration at its next meeting.

## **11 Depreciation**

A paper prepared by the Director of Business and Finance was received and considered.

The effect on the value of College assets, and therefore the extent of the annual depreciation charge, of moving from the reducing balance method to straight line depreciation was set out in terms of existing assets. Its impact on the level of future College surpluses was also estimated.

It was commented that the choice of depreciation policy should reflect its appropriateness to the nature of the College's assets rather than its effect on the projected surplus or deficit shown on the Income and Expenditure Account, and therefore be based on principle not expediency.

The view of the financial statements' auditor should also be obtained.

The matter was held over for further consideration at the next meeting.

## **12 Business for the Corporation**

Agenda 5-9 were approved as business for the Corporation meeting to be held on 20 April 2016.

## **13 Any Other Competent Business**

None

## **14 Date and Time of Next Meeting**

Monday 6 June 2016 (6.00pm)