

**CONFIDENTIAL – Investigation**

**CORPORATION BOARD of UNITED COLLEGES GROUP**

**Minutes of the Audit Committee**

**Wednesday 04 March 2020**

**Boardroom, Paddington Green Campus**

**Members Present:** Jan Knight (Chair), Norman Whyte, Derrick Betts.

**In attendance:** Zoë Lawrence, Amanda Thorneycroft, Richard Weighell (BDO), Claire Collins (relevant agenda items only).

<b>1</b>	<b>Welcome and apologies for absence</b> JK welcomed everyone to the meeting. Apologies had been received from Amish Nathwani, though he had provided written comments on the papers.	
<b>2</b>	<b>Declarations of Interest in the agenda items</b> BDO would leave the room for the item concerning the re-appointment of external and internal auditors.	
<b>3</b>	<b>Minutes of meeting joint meeting held with F&amp;GP on 4 December 2019</b> The relevant sections of the minutes were approved and signed as an accurate record.  <b>Matters Arising</b> Most actions were covered elsewhere on the agenda other than reconsideration of the management response to the third recommendation of the Business Continuity IA. AT agreed to look at this and feedback to the Committee ahead of the next meeting.	
<b>4</b>	<b>STRATEGIC</b> <b>i. Risk Register</b> <i>(Risk Registers had been provided in advance)</i> AT noted Amish's written comment concerning the risk from coronavirus. This was included in the risk register, but at the time of writing had not been considered as a high risk. Given the current position at the date of the meeting it was thought likely that it should be one of the highest risks. The college was adhering to the advice provided by Public Health England and the DfE. Lead contacts had been identified in the organisation and careful tracking of the infection was in place through a working group. It was not anticipated that a college closure in the event of coronavirus would cause financial loss in the short-term as the majority of funding was fixed and lagged. DB asked if it would affect liquidity, but this was also considered to be unlikely. Consideration was being given to whether staff were paid if in isolation, the college's responsibility to agency staff, obligations to contractors, and the extent of the college's insurance. NW asked if the college was sending home staff who showed any cold symptoms. AT said that this was not current practice as they were following DfE advice which did not recommend this course of action unless the member of staff had	

travelled to one of the category 1 or 2 countries. If in the event of the infection spreading during the exam period, advice would be taken from the exam boards. JK asked if the college were to close, whether a deep clean would be done before re-opening. This was confirmed.

AT provided commentary on each of the highest risks where these had increased. JK asked for clarification on risk 7.7 which showed an increase to the residual risk. AT confirmed that this risk (GDPR compliance) had increased and there was potential for the college to be fined for non-compliance. AT reported that a GDPR gap analysis was being undertaken from which an action plan would be developed. NW asked if GDPR training was provided to all staff. This was currently not required, but was likely to be an action going forward, and AT was aware of an online GDPR training package that could be offered.

CC said that she had not prepared this version of the HR risk register included in the papers and disagreed with it. She would prepare future versions. The HR risk register would also be included on the F&GP agenda.

## **ii. Risk Management Policy**

*(Draft policy was circulated in advance)*

Members welcomed the revised risk management policy and in particular reference to risk appetite which was defined as transforming and shaping (as opposed to shielding and status quo). It was agreed to amend reference to medium risk to moderate risk for consistency. RW suggested that the risks be considered within a rolling two year time frame, and this was also agreed by the committee. Members agreed that the risk registers being presented at Committee/ Corporation should be in the six main risk categories, underpinned by the operational risk registers. AT also thought that this approach would provide a higher degree of scrutiny of the risk by SLT. Members noted comments received from AN prior to the meeting, but did not agree that a single death was catastrophic to the business. NW confirmed that this should be in relation to the number of people the risk affects. Members agreed that pending the few amendments discussed that the policy could be recommended to the Corporation for approval.

## **iii. Health and Safety Policy**

*(Draft policy was circulated in advance)*

AT presented this draft policy to the Committee. She acknowledged that the responsibilities of the Corporation and the Health & Safety Committee were not explicitly included in the policy and it was agreed that paragraphs would be included to remedy this. NW (who is the H&S Lead Governor) praised the draft policy in that it contained all the essential elements and complied with model policies. He suggested that reference be made to staff requiring to declare health conditions that may be exacerbated by their job role, so that the employer could provide support. Also reference to all staff receiving health and safety training should be included. It was agreed that the proportion of staff who had received general H&S training be reported in the termly H&S updates in addition to staff training for those with specific H&S

	<p>responsibilities such as first aid. NW had a few comments on the text which he would pass to ZL outside the meeting. Pending the amendments posed, the Committee were content to recommend the policy to the Corporation for approval.</p>	
<p><b>5</b></p>	<p><b>INTERNAL AUDIT &amp; EXTERNAL AUDIT</b></p> <p><b>i. Workforce Development Audit – management response</b>  <i>(Paper circulated in advance)</i></p> <p>Members recalled that the management responses to the Workforce Development Audit considered at the previous meeting in October had been inadequate. They welcomed this further paper in response from Claire Collins the newly appointed Director of People and Communications. CC acknowledged that some work included in the previous management responses had not been done, and that there was limited progress in other areas. However, she was clear on the actions now needed and had plans in place.</p> <p>Currently, she was prioritising the work on safer-recruitment and safeguarding, supporting the Ofsted Action Plan, and working through the policies and processes along the employee journey including recruitment and probation to speed up practice so that posts could be filled quicker with less reliance on agency staff.</p> <p>She would be establishing an HR/OD Strategy from which the workforce planning would follow which would then be an ongoing process in response to business needs. It was acknowledged that there had been two systems in operation as integration of HR across the campuses had not been done following merger. In response to specific recommendations in the IA report a single simplified process for the approval of appointments was already in place pending whether the post was included in the existing staff establishment or not. Unnecessary practices, such as BKS testing for all teaching staff, had been stopped allowing time and resources to address main priorities and process to be speeded up. CC was now a member of the Joint Safeguarding Group and would ensure that safer recruitment practices were in place.</p> <p>Work was also progressing on employee engagement, revision of HR policies (including performance management), and plans for business partnering with the HR Team.</p> <p>Progress on a number of items was expected by mid-April/ May, but it was considered that it would take a year for practices to be embedded. A paper setting out HR priorities for the next 12 months would be taken to the F&amp;GP Committee on 25 March.</p> <p>Members asked what the Culture Integration Programme was. CC explained that this was about bringing together the two colleges more following merger. An SMT away day had taken place in February which was the first time this had been done with staff from both colleges. The event itself made a difference and provided a forum for discussion and removing barriers. A further event was being arranged for the following term to continue this approach. More engagement from staff was being encouraged, with the SLT Roadshows being changed into Staff Voice sessions. It was hoped that this</p>	

would be a forum for staff to ask questions, have access to the SLT and be able to contribute to action plans in response to the staff survey.

DB asked what issues there were with staff turn-over and recruitment. CC said that at the moment she was keen to address the balance between the use of agency and permanent staff. The increased use of agency staff had been a result of a lack of responsiveness from HR in the past, which has impacted negatively on the quality of teaching. She was also looking at the restructuring of some areas including MIS, exams and IT where there could be some savings and added value by bringing processes together across the campuses. Recruitment of specialised posts continued to be an issue. Importantly, CC wanted to create an organisation that people wanted to work in with progression and development opportunities.

JK thanked CC for her paper and said that the Committee was very pleased with her approach as they were conscious of the long-term issues within HR prior to her appointment. Members sought to receive an update on progress at the June meeting.

**ii. Appointment of Internal and External Auditors (RW left the room for this item)**

*(Paper circulated in advance)*

The Committee acknowledged the points made in AT's paper on the current position concerning the appointment of the EA and IA and it was agreed that it was too late to retender for either auditor this year. However, it was noted that both auditors had been working with the college for a number of years and that there were benefits in retendering, but not to do both at the same time to best manage any change.

Members therefore agreed to AN's suggestion to plan now to retender for the EA in the Autumn term 2020 for the accounts for 2020/21 (YE 2021), and for the IA to be retendered the following year. It was agreed that AT would be a member of the appointment panel for both auditors. AT suggested that members may want to consider reducing the number of days contracted, and also whether an audit of work experience (which is contracted out) could be included in this year's audit plan with days unused from other audits. Members considered the degree to which IA revealed issues that the organisation would otherwise not find. The use of a board assurance framework was discussed in relation to the risk register to assist with this.

**iii. Follow-Up Audit – Review of actions**

*(Paper circulated in advance)*

The Committee noted this paper which included all the outstanding recommendations from previous IAs some dating back to pre-merger in 2016. Given the situation, the paper proposed that a number of actions be closed where the action was either partially or not implemented. In a number of cases the recommendation was no longer relevant. RW confirmed that he had no issue with the ones being closed. The level of vulnerability was very small. The remaining open actions would be picked up in this year's follow-up audit. Members agreed the paper.

	<p><b>iv. ESFA Funding Audit Report</b>  <i>(Report circulated in advance)</i></p> <p>AT reported that this was the first ESFA funding audit which had taken place since the college merged. The previous ESFA audit at CWC was completed in 2010. Despite the reference to non-compliance in the report, the level of claw back was minimal and remedial actions were immediately implemented. Members acknowledged the contributions of Carl Wright and Lynne Graham in achieving this positive outcome and sought that the Committee's appreciation be shared with them.</p>	
<b>6</b>	<p><b>AOB</b></p> <p><b>i. SCR Investigation Report</b>  <i>(Report was circulated in advance)</i></p> <p>This report was being brought to the Audit Committee as it concerned an issue of regulatory non-compliance. The investigation sought to understand what lead to the poor level of compliance, and make recommendations to prevent reoccurrence. The investigation identified failings at all levels of the organisation which had contributed. The vast majority of the recommendations were being actioned already, but as the SLT had had limited time to consider the report prior to the Audit Committee meeting, a fuller response to the recommendations would be prepared for the next meeting. CC explained that the SCR was drawn from the HR management information system I-Trent. She had now identified a single person to lead on it, and was in the process of reviewing policies and improving the recruitment systems.</p>	
<b>7</b>	<p><b>Date of next meeting</b>  Wednesday 10 June 2020</p> <p>Meeting closed at 8.05 pm</p>	

Minutes taken by Zoë Lawrence 05/03/2020

**SIGNED:** ..... **Date:**

**Jan Knight, Chair**

**ACTIONS**

<b>Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status</b>
<b>4ii</b>	For the Risk Management Policy to be amended in line with comments received from members and the policy to be recommended to the Corporation for approval.	AT/ZL	
<b>4iii</b>	For the Health and Safety Policy to be amended in line with comments received and for the policy to be recommended to the Corporation for approval.	AT/ZL	
<b>5i</b>	To receive an update on progress made to the workforce development IA recommendations at the June meeting.	CC	

<b>5ii</b>	To retender for the EA in the Autumn term 2020 for the accounts for 2020/21 (YE 2021), and for the IA to be retendered the following year.	AT	
<b>5iv</b>	For the Committees appreciation be passed to Carl Wright and Lynne Graham for their contributions to the successful ESFA Funding Audit outcome.	AT	
<b>6iii</b>	Review management response to recommendation 3 of Business Continuity IA	AT	Carried forward
<b>6i</b>	Action plan in response to SCR Investigation to be prepare for the next meeting of the Committee.	ZL/SLT	