

Hereford College of Arts

Minutes of the Meeting of the Audit Committee held on Friday 7 April 2017

Present: - Mr Mike Rookes (Chair)
Mr Graham Briscoe (Co-opted Member)
Dr Elizabeth Halford
Mrs Alison McLean
Ms Katie Seekings

In attendance: - Mrs Linda Watkins (Clerk to the Governors)
Mr Tim Williams (Finance Director)
Miss Jane Simons (College Accountant)
Ms Abigail Appleton (Principal)
Mrs Karen Gentles (RSM)
Miss Susan Lloyd (Personnel Manager) left after item 6.III

The meeting was quorate as a minimum of three Members of the Committee were present throughout the meeting.

	Action
3. Apologies for Absence	
4. Declarations of Interest Graham Briscoe: Governor of New College, Telford which was merging with TCAT. Alison McLean: Related to a member of staff.	
5. I. Minutes of the Last Meeting The Chair signed the minutes of the last meeting held on 22 November 2016 as a true record.	
II. Matters arising from the Minutes of the Last Meeting	
A. The Finance Director would merge the value for money and procurement policies; this had been added to the recommendation tracker.	
B. The impact of the Skills Plan was included in the risk register as part of the Sainsbury Review.	
C. Details about the number of secondary school pupils taking GCSE creative subjects had been requested from Herefordshire Council. Art teachers would be targeted to request this information.	A Appleton
D. The Co-opted Member commented that all relevant reports had been reviewed by the Audit Committee at the last meeting and approved as necessary. He suggested following best practice, also in the revised ACOP, by amending the running order of papers reviewed by Audit Committee which would enable the Committee to give the Board assurance to sign off the annual accounts. The proposed order would be:- a. Internal Auditor's annual report b. Management letter from Financial Statements Auditors	

- c. Value for money annual report
- d. Audit Committee's annual report
- e. Review of the members' annual report and financial statements.

The role of the Audit Committee was to provide assurance that the figures in the annual report could be relied on in contrast to the role of the F&GP Committee and Finance Director whose roles check the accuracy of the reports. The Internal Auditor confirmed that it was acceptable for either the Audit Committee or F&GP Committee to recommend the members' report and financial statements for approval to the Board.

The Committee agreed:-

- To approve the minutes
- Based on the ACOP and best practice, approval of the members' report and financial statements would be transferred to the Audit Committee subject to the Board's approval. The Clerk would amend the terms of reference for approval by the Board

L Watkins

6. Internal Auditor's Reports

Karen Gentles presented the reports: -

- I. Follow up Report: This showed progress of actions from the previous year. There were 29 actions with 17 implemented, 3 ongoing, 6 not implemented and 3 superseded. Actions not implemented would be followed up again next year. A Governor asked if outstanding actions remained relevant and if actions which had exceeded implementation dates would be completed. The Finance Director confirmed that these would be monitored in the recommendation tracker. Action reiterated showed original recommendations and dates in italics; it was agreed that recommendations made more than a year ago should be highlighted in future reports.
- II. Progress Report: Members noted progress against the audit plan. Field work had been completed for outstanding audits which would be presented at the next Audit Committee. Client briefings were attached covering FE and HE. The high priority actions identified from RSM's clients showed one of the areas with high levels of recommendations included implementing employer engagement strategies. A high level employer engagement strategy would be developed which would link to the TEF.
- III. Personnel Absence Management: Substantial assurance was given with 1 medium and 3 low level recommendations. A Governor asked if sector benchmarks and trends are identified and reported to Governors. These are reported showing in-house comparisons but without sector benchmarks; these would be researched and incorporated in future reports. The F&GP Committee had also requested further research about sickness management in an attempt to reduce absence levels.
- IV. Framework for Compliance for Legal Framework Prevent

K Gentles

A Appleton

Duty. Reasonable assurance was given with 5 medium and 5 low level recommendations. RSM reminded Governors that the report does not provide an opinion as to whether learners are at risk. There was challenge if the findings from the report would put the College in a vulnerable position in view of a potential Ofsted as safeguarding was a limiting grade. SMT would discuss the report and recommendation as a priority developing an action plan; this would be emailed to the Committee to provide assurance of prompt progress.

A Appleton/
L Watkins

There was a question about prevent risk assessments which are prepared by Course Leaders asking if these remain up to date. The Principal would check that these were updated. There was further discussion about staff training covering safeguarding and Prevent which remained outstanding for 10/18 new staff. This was completed online with a suggestion to identify if reports could be automatically generated in future to show completion of training. The Clerk would send Governors a link to the Prevent Duty online training.

A Appleton

T Williams

L Watkins

The Committee agreed: -

- To note the reports from RSM
- It was reassuring that SMT would develop an action plan to address compliance with legal requirements of the Prevent Duty as a priority
- Governors would be encouraged to complete Prevent Duty online training

7. Skills Funding Agency Post-16 Audit Code of Practice (ACOP) 2016-17

The ACOP sets out a common standard for the provision of assurance for post-16 providers. This was issued in March 2017 replacing the previous JACOP and would be retrospective for 2016/17. Changes predominantly reflected the Machinery of Government changes including SFA moving into the Department for Education. There were no major changes which would affect the Audit Committee.

The Committee agreed: -

- To note the ACOP 2016-17

8. Risk Management Register and Report

The Finance Director reminded Members that the baseline score was assessed in July 2016, the register included updates in bold text. Several risks had been divided including applications and enrolments. There was thorough discussion about risks and mitigating actions.

Risk 1 College quality, standards and student experience deteriorates for FE (Score 12): The last Ofsted grade was 'good'. There were no changes to report. An Ofsted inspection was anticipated.

Risk 2 College quality, standards and student experience deteriorates for HE (Score 12): Preliminary feedback from the

Annual Provider Review was positive. HEFCE's Quality Committee will formally feedback with their judgement at the end of April.

Risk 3 Ongoing relationship with UoWTSD deteriorates (Score 9): No issues had been identified with the College's quality. The mid-year review was in progress. A review of student contracts and processes in the autumn would measure if these were effective. The College would use HEFCE guidance issued in March.

Risk 5: Relationship with RNC deteriorates (Score 8). RNC have appointed property consultants. A meeting has been arranged in April to discuss College Road Campus accommodation and lease options.

Risks 6, 7 and 8 HE applications and enrolments 2017/18. (Score 12): Applications compared equally with last year but firm acceptances were fewer than last year. Additional offers were being made to Artist Blacksmith applicants following discussion with HLC regarding synchronising timetables to provide access to the forge at Holme Lacy. The budget 2017/18 would be adjusted based on anticipated enrolments. Retention remained within the boundaries. Strategies have been embedded to improve retention for 2017/18 including recruiting a Well-being Officer and the introduction of 20 credit modules on all programmes.

Risks 9, 10 and 11 FE applications, conversion and enrolment (Score 12): Applications had decreased with 127 acceptances compared to 164 last year. There would be a larger cohort of year 2 students next year. Retention in FE was good and expected to achieve targets.

Risk 15: The amount of, and quality of student accommodation limits the College's ability to grow (Score 16): Discussions were continuing with a private provider who would submit more detailed figures. A Governor asked if the option to generate rental income during the summer had been explored; this was confirmed with an assumption calculated at 100%; however, this might be unrealistic at a site with no parking on site. Another potential site had been identified near the railway station.

Risk 17: Staff morale/well-being decreases (Score 8). The survey would be revised this year to become more focussed on relevant areas, such as implementation of the new brand to assist to make improvements. The benchmarked York College survey could be used in the consecutive year.

[Alison McLean left the meeting during this item]

The Committee agreed: -

- To note the risk register and report

9. Recommendation Tracking [This item was discussed before the Risk Register]

SMT had discussed the tracker with completed recommendations removed.

Actions relating to the IT Business Continuity Plan security had been updated. Back up of IT and students' work was raised noting

that the College had robust systems for its back-up. Students have access to Office 365 and are encouraged to back up their own work on the Cloud and use photographic evidence. Course Leaders remind students to safeguard their work. This had been discussed as part of the professional practice module. It would be reiterated to Course Leaders with options to address as part of group critique to remind them to take evidence or with a Student Union campaign.

A Appleton

Scenario planning testing would be arranged for staff at the end of the summer. The Crisis Management and Communications Strategy was being simplified as this was too long.

A Appleton

The Risk Management Policy would be amended and presented at the next Audit Committee for recommendation to the Board for approval. Concern was expressed by the Clerk as there were several policies assigned to the Finance Director for review in a period of substantial workload to prepare the budget. An option could be to issue by email before the Committee meeting in November.

T Williams

The Committee agreed: -

- To note the recommendation tracker and progress
- The difference between strategy, policy and procedure needed to be defined and used consistently

SMT

10. Any Other Business

The Local Plan for College Ward, (part of Herefordshire Council's Area Plan), had been launched for consultation. The Principal would contribute to the consultation and consider a written submission within the consultation period.

A Appleton

[Katie Seekings left the meeting]

11. Date and Time of the Next Meeting

The next meeting was arranged on Tuesday 13 June 2017 commencing at 3.30pm.