

SOLIHULL COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 17TH OCTOBER 2016 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS, starting at 6pm

PRESENT: Alex Palethorpe (Chair)
Lucy Lee
Keith Marriott
Geraldine Swanton
Tony Worth

IN ATTENDANCE: John Callaghan (Principal)
Lindsey Stewart (Deputy Principal)
Heather Evans (Vice Principal – Finance)
Pete Haynes (Vice Principal – HR and Student Services)
Sam Bromwich (Director of Risk, Control and Compliance)
Theresa Lynch (Clerk to the Corporation)

Louise Tweedie – RSM

1. Membership

1.1 Apologies for Absence

There were no apologies for absence.

1.2 Declarations of Interest

Geraldine Swanton noted an interest in item 7 Annual Insurance Report, as an employee of Shakespeare Martineau.

2. Minutes of the previous meetings and matters arising

The minutes of the meeting held on 14th June 2016 were **agreed** as a correct record and signed by the Chair.

3. Board Assurance Presentations

Discussion took place regarding the board assurance presentations that had been taking place and how these would continue after the final 2 planned for the meeting in November 2016. It was suggested that how the programme relating to discussing the board assurance framework at Audit Committee would take place at the March 2017 meeting. **ACTION.**

Area 4 Effective Accommodation

The Vice Principal Finance presented Board Assurance Area 4 Effective Accommodation and explained that a line from the area had been chosen that was showing as green assurance, so that governors were aware of what assurance measures were in place in more detail.

Q. How many security incidents occur?

A. Generally security staff deal with incidents and most are relatively minor. There are a low number of more serious incidents during the year. Break-ins are rare with, on average, one a year.

Q. Should the assurance provided by the reduction in the insurance premium be included as

external assurance in itself?

A. Yes, this was a key indicator and would be added. **ACTION.**

It may be useful to remove the 1-4 grades given for assurance, in line with the changes in teaching observations and indicate strengths and weaknesses instead.

Area 5 Effective IT

The Vice Principal Finance presented Board Assurance Area 5 Effective IT and she noted that the Network Manager had attended Audit Committee during 2014/15 and that it may be useful for him to attend again at a future meeting to discuss IT infrastructure and security. Work was currently underway to review external IT systems used by the College and throughout 2016/17 all systems would be reviewed to ensure they meet College security requirements and processes.

Q. Is the IT strategy annual?

A. No there was a 3 year strategy that is currently in its second year. The Strategy would be reviewed in the next 12 months to ensure ongoing development and updating.

Q. Direction of travel may be useful in the board assurance framework, so that it is clear whether areas are improving, declining or remaining static.

A. This would be a useful introduction, however, it would be necessary to establish how it could be incorporated into the framework. **ACTION.**

Area 6 Incident Management

The Director of Risk, Control and Compliance presented Board Assurance Area 6 Incidence Management.

Q. If the grading scheme was used, what would Incident Management be?

A. An area that would probably be outstanding once actions completed. It is an advanced area compared to other organisations, as indicated by the Jermyn Consulting Report presented to the Committee in March 2016.

4. Risk Management and Board Assurance Reports

4.1 Risk Management Annual Report 2015/16

The Director of Risk, Control and Compliance presented the annual report. She explained that the board assurance process had been fully in place for a year.

Q. How are the areas within the BA framework chosen?

A. The BA framework areas relate to key strategic areas and each is owned by a member of EMT or the Clerk. The areas are mapped across the Strategic Risk Register and it has been fully reviewed, with the number of strategic risks being reduced. It had been a really useful process in really focusing on what the key risks are and the mitigation in place to manage them. The process is both top down and bottom up to ensure focus and comprehensive coverage.

RESOLVED to recommend approval of the Risk Management Annual Report 2015/16 to Corporation.

4.2 Risk Timetable 2016/17

The Director of Risk, Control and Compliance presented the timetable for 2016/17.

RESOLVED to recommend approval of the Risk Timetable

4.3 Risk Management Strategy 2016/17

The Director of Risk, Control and Compliance presented the Risk Management Strategy for 2016/17 and she explained that she now met with each member of EMT instead of taking the Strategic Risk Register to the Management Group for updating. Once updated the Register is confirmed at the Group. It was suggested that this change in process be reflected in the strategy to ensure accuracy and clarity. **ACTION.**

RESOLVED to recommend approval of the Risk Management Strategy 2016/17 to Corporation, subject to the minor amendment suggested.

4.4 Strategic Risk Register 2016/17

The Director of Risk, Control and Compliance presented the Strategic Risk Register for 2016/17.

It was noted that risk registers were being developed for the ESF Project, the Apprenticeship Organisation and the Institute of Technology and that these would be presented to a future meeting of the Committee. **ACTION.**

RESOLVED to recommend approval of the Strategic Risk Register for 2016/17.

4.5 Board Assurance Framework

The Director of Risk, Control and Compliance presented the Board Assurance Framework for information.

4.6 Board Assurance Action Plan

The Director of Risk, Control and Compliance presented the Board Assurance Action Plan.

4.7 On-going Board Assurance

The Director of Risk, Control and Compliance presented the On-going Board Assurance Report.

5. Internal Audit

5.1 Annual Report 2015/16

The Internal Auditor presented the Internal Auditors' annual report that provided an overall opinion for the year 2015/16: The College has '*an adequate and effective framework for risk management, governance and internal control.*'

The Internal Auditor explained that there were now 4 grades of opinion, as opposed to 2 as in previous years. The grades providing positive assurance were split into 'Reasonable' and 'Substantial'. RSM had provided 'Reasonable' assurance for the College for 2015/16. It was noted that this was not a cause for concern, but reflected the number and levels of recommendations provided during the year.

Q. How does the College compare against 2014/15?

A. There were a slightly higher number of medium recommendations, but this did not indicate a concern.

It was suggested that had the College been aware of the change it may have been useful to do

the follow up audit within the year, to provide an opportunity for 'Substantial' assurance.

RESOLVED to recommend approval of the Internal Audit Annual Report for 2015/16 to Corporation and note the level of assurance provided.

5.2 Progress Report 2016/17

The Internal Auditor presented the progress report for 2016/17 and discussion took place regarding the 2018 major overhaul of EU data protection laws and the increased risk of fines and compensation claims, with higher financial penalties. It was noted that although the details were not yet fully communicated, it was important to be aware and plan for the changes. A first step would include reducing unnecessary data held by the organisation and full familiarisation of data held by the College.

6. Health and Safety Annual Report

The Vice Principal Finance presented the annual Health and Safety Report. She explained that UMAL had provided an opinion of adequate and effective regarding the health and safety policies in place. Discussion took place regarding the increased numbers of slips, trips and falls and it was noted that an internal investigation was underway, although some of the increase could be due to improved reporting. It was also noted that all near misses were addressed. A contractor/consultation policy was being developed to ensure all necessary checks and induction took place. The Vice Principal Finance provided strong assurance that the health and safety processes and procedures were in place and effective.

It was suggested that the full presentation should also be given to the Corporation, as it provided important assurance with regard to their duty in relation to health and safety.

The level of compliance with regard to staff e-training was noted and that the expectation is that all staff will undertake fire awareness, manual handling and other related training sessions.

Q. Are the e-training activities included as part of the appraisal process?

A. The appraisal form has a section relating to training and managers are expected to discuss the e-training activities with the employee.

Q. In relation to the RIDDOR incidence, how does the College ensure staff have adequate insurance when using their vehicles for business purposes.

A. The Vice Principal Finance explained that the College has insurance in place for staff, but also staff are asked to confirm they have personal insurance for business use when signing the expenses claim form too.

re is a driver policy for staff that need to use their own vehicle for college business – it was noted that it would be useful for the College to make confirmation of insurance arrangements being in place through the expenses claim form.

7. Insurance Annual Report

The Vice Principal Finance presented the annual insurance report for 2015/16. It was noted that insurance provision would be reviewed and limits would be renewed, as appropriate.

8. Ad Hoc Audit Reports

There were none to report.

9. Additional Audit Work

This item was deemed confidential due to potential commercial sensitivity and the Internal

Auditor left the meeting for this item.

10. Draft Regularity Audit

The contents of the draft Regularity Audit were noted for information.

11. Draft Report of the Audit Committee and Principal to the Corporation

The contents of the draft Report of the Audit Committee and Principal to the Corporation were noted for information.

12. Management Report on the Implementation of Audit Recommendations

The contents of the Management Report on the Implementation of Audit Recommendations were noted for information.

13. Date of the Next Meeting

The date of the next meeting was scheduled for Monday 28th November 2016 at 5.30pm.

Signed A. Palethorpe

Date 28 November 2016.