

SOLIHULL COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 12TH MARCH 2015 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS

PRESENT: Bill Wanley (Chair)
Paul Johnson
Alex Palethorpe

IN ATTENDANCE: Heather Evans (Vice Principal – Finance)
Sam Bromwich (Director of Risk, Control and Compliance)
Theresa Lynch (Clerk to the Corporation)

Lisa Randall – Baker Tilly
Louise Tweedie – Baker Tilly

Dave Gartside (Network Manager) for item 2 only

1. Membership

1.1 Apologies for Absence

Apologies for absence were received from Keith Marriott, John Callaghan, Lindsey Stewart, Pete Haynes and Mark Dawson (KPMG).

1.2 Declarations of Interest

There were no new declarations of interest.

2. IT Strategy – Report regarding Resilience

Dave Gartside joined the meeting to give a presentation in relation to the resilience of IT systems at the college.

Q. What testing occurs for mains failure?

A. Every month on a Saturday evening the UPS goes through a self-test function, which tests the robustness of the battery back-up.

It was noted that the 2 campuses were used for back up purposes, in case a disaster occurs at one campus. Data backs up to Woodlands twice per day. An additional internet connection exists at Woodlands in case of failure of the main connection through Blossomfield.

Q. How dependant is the college on key staff?

A. Up until recently this was a risk, however, recent appointments were reducing the level of risk. A new network post had been released and 2 half time posts for introduction of the new VDI project.

The IT Helpdesk is available 8am-7.30pm and includes a physical helpdesk, as well as, access via telephone and email, and a portal is being developed for staff to be able to log jobs directly.

Q. Have any areas of risk been identified regarding IT that need to be addressed?

A. Through the board assurance exercise last year, some areas were identified and this was a good exercise for reviewing risk. Dependence on staff was identified and is being addressed. The IT developments that had recently been approved by Corporation had provided an opportunity to stand back and reflect on required direction to best serve the

college. External assurance had been provided by internal audit and had helped to formulate required action.

3. Minutes of the previous meetings

The minutes of the meeting held on 7th October 2014 were **agreed** as a correct record and signed by the Chair.

The contents of the minutes of the Corporation meeting held on 27th November 2014 were noted for information, as they had been confirmed at the next Corporation meeting in December 2014.

4. Matters Arising

There were no matters arising.

5. Internal Audit Matters 2014/15

5.1 Board Assurance Framework – Advisory

The Internal Auditor presented the advisory report and explained that the main recommendation relating to combining the board assurance framework and the strategic risk register would be supported by them.

It was noted that the audit had been useful in confirming the actions required to move this work forward. The Director of Risk, Control and Compliance explained that 2 days would be spent working on merging the two documents.

Q. Was 31st July 2015 a realistic deadline?

A. Yes, it was hoped that the final Register would be presented to the Committee in October 2015 and would feed into the annual assurance required for the annual opinion to Corporation.

Q. Is the management team satisfied that the advisory audit is timely?

A. Advice had been provided by BDO for the development of the Board Assurance Framework in 2014 and this was now linking it with the Strategic Risk Register.

A further audit would take place in June 2015 to review the content of the Board Assurance Framework and Risk Register, once combined.

5.2 Framework for Safeguarding Learners

The Internal Auditor presented the report and explained that there was one low level recommendation. Discussion took place regarding the importance of the WRAP/PREVENT agenda. If anything happened to any of the college's students and procedures were not in place the college would be challenged harshly. The college was taking action, but also wanted to ensure they complied with guidance, which was not yet available, as this is a very sensitive and complex issue.

5.3 Key Financial Controls Part 1 Payroll

The Internal Auditor presented the report and explained that there was 1 medium level recommendation. It was noted that implementation of the new finance system had been done in an efficient and effective way, with good risk limitation. The college was aware of any issues experienced and taking action to try to remedy them.

It was confirmed that a further review relating to Payroll was appropriate, given the introduction of the new system, relating to design, application and effectiveness of controls.

Q. Clarity was sought relating to the identification of overpayments, although not before they had been paid.

A. These were relatively small incorrect salary payments. Both payments were found due to the extensive checking that is taking place, even though this was post-payment. Controls should be in place to identify these errors before payment.

The Vice Principal Finance explained that processes for part time teaching staff payments was not yet fully automatic, as it had been before the new finance system was put in place. It was currently semi-automatic and this would be improved further when the new student records system was introduced, however, at the current time a lot of control checks were being conducted.

The procedural documentation would be finalised by April 2015.

5.4 Progress Report

The Internal Auditor presented the report and explained that following some discussion with EMT 3 days of the V4M/Contingency time had been allocated for a review of Systems Implementation – Support for Business Contingency and 2 days for input to the development of the Strategic Risk Register. There remained, therefore, 1 day contingency time.

Q. Is there an issue about the timeliness of completed work?

A. Each audit included an informal de-brief and a formal briefing meeting following completion. It was noted that the formal briefing meeting for the Systems Implementation Report, completed in January 2015, had been cancelled, by Baker Tilly due to illness, and therefore the report did not get finalised for this Audit Committee meeting.

6. Internal Audit Charter and Protocols

The Internal Auditor presented the report and explained that the Charter had been provided annually.

RESOLVED to approve the Internal Audit Charter and that it be signed by the Chair of the Committee.

7. Risk Register Update Report

The Director of Risk, Control and Compliance presented the report and explained that the Register had been maintained awaiting the more fundamental review to take place, supported by Baker Tilly. It was suggested that rather than 'poor' in relation to the outcome of an Ofsted inspection, that this read 'lower than current' grade, which at this stage was Grade 2, Good.

It was noted that the report was useful and presented well. The revised register would probably look similar, but be underpinned by more detailed information relating to assurance. Discussion took place regarding future report that could provide a report with a drill down function, so that the Chair could identify a specific area for consideration at each meeting.

Discussion took place relating to the definition of risk appetite and it was **agreed** to recommend approval of the following statement to the Corporation:

'Risk Management Strategy enables the College to keep its approach to risk under regular review. In particular, risk management is a key element in the review processes for major projects.'

8. Value for Money Update Report

The Vice Principal Finance presented the report and described the two value for money projects that were being undertaken during 2014/15.

It was agreed that the detailed information relating to value for money savings should be presented to the Audit Committee, now that the Finance Committee no longer existed.
ACTION.

9. Health and Safety Update Report

The Vice Principal Finance presented the report and discussion took place regarding additional information that could be included, as follows:

- Pictorial depiction of the accidents table on page 1;
- Any issues identified by the data in the accidents table. Description of actions or potential issues;
- Accidents by Faculty/Area – explanation of the accidents in Facilities;
- Total Recorded Accidents – remove headings with no data included;
- Training – what is the effectiveness of the training provided for staff? What training is mandatory and non-mandatory – to ensure governors are assured that mandatory has been undertaken appropriately;
- Value of claims.

Q. Could you describe what near misses had happened?

A. the VP Finance described some of the near misses.

10. Management Report on the Implementation of Audit Recommendations

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

11. Date of the Next Meeting

The date of the next meeting was scheduled for Tuesday 16th June 2015 at 6pm.

Signed W J Daulton
Date 16 June 2015.