

## SOLIHULL COLLEGE

### MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 12<sup>th</sup> MARCH 2018 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS, starting at 5.00pm

PRESENT: Lucy Lee (Chair)  
Paul Large  
Geraldine Swanton  
Eric Wiles  
Badri Gargeshnari  
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)  
Gary Stanton (Facilities Manager)

Harpreet Samra – RSM

#### 1. **Governors' Briefing for Board Assurance and Risk (5-6pm)**

A briefing was provided for the Committee relating to current board assurance and risk processes and discussion took place regarding moving the processes forward and re-designing the Board Assurance Framework and Risk Register to streamline reporting.

#### 2. **Membership**

##### 2.1 Apologies for Absence

There were no apologies for absence.

##### 2.2 Declarations of Interest

There were no new declarations of interest.

#### 3. **Minutes of the previous meetings and matters arising**

The minutes of the meeting held on 29<sup>th</sup> November 2017 were agreed as a correct record and signed by the Chair.

#### 4. **Board Assurance Presentations**

##### 4.1 Area 4 Accommodation

The Facilities Manager gave a presentation regarding estates statutory and best practice compliance.

Q. How do you ensure the excel spreadsheet used is controlled?

A. It is password protected and there is limited access.

Q. Woodlands Campus – do the facilities fall within this compliance?

A. Yes, the College is responsible for all facilities on the College sites.



Q. Has Stratford been incorporated into the spreadsheet?

A. Currently reviewing compliance across all campuses including Stratford.

Q. PPM system – you are reliant on that to plan out the maintenance of the condition of the estate. How do you ensure the information in the PPM system informing outcomes is correct?

A. The PPM system is reviewed constantly and when any changes to regulations etc occur the system is updated. Once compliance jobs are completed this is reported to the Estates Manager who will then ensure it is closed off on the system.

Q. UMAL – how are their risk recommendations being picked up?

A. They are fed in to Estates Manager who works through and feeds this into College processes and these are either undertaken internally or by external contractors as required. A log of all recommendations is maintained and they feed into the compliance spreadsheet. It is possible to report on anything outstanding, but it is an on-going task to keep on top of compliance matters.

#### **4.2 Area 6 Incident Management**

The Director of Risk, Control and Compliance explained that to confirm incident management board assurance she would address a particular incident and how that is addressed within the College and processes in place to manage it. The incident chosen was a shooter on campus – particularly relevant due to recent incidences in the news. She explained that the business continuity was regularly reviewed. Staff are trained appropriately to be able to deal with a range of situations. Recruitment of staff and students includes induction processes to ensure they are aware of processes. Staff take part in external communication and networking to ensure there are fully up to date on current recommended procedures.

The Vice Principal HR and Student Services described the recommended response to the incident identified, but explained that there had to be an element of judgement based on the what would be actually happening. The basis principal that all staff have training about is the Run-Hide-Tell, a programme being used by the Counter Terrorism Unit currently. All staff and students (tutorials) need to be aware of making judgements based on the incident that occurs, so a number of options are covered but mainly based on the Run Hide Tell procedures.

Q. Do you have a contact book for when incidents occur?

A. Yes there is a contact list online and all Receptions have a 'Grab Bag' that includes all information. Incident manager would be based on who was available and on site at the time. Everyone has training, which clarifies where information can be found.

Q. There are clear arrangements in place to manage major incidents overall, however, there are other incidents that might have different issues and requirements, ie closure of a campus or flu pandemic – what is in place for these?

A. Specific areas, for example, IT have specific business continuity plans to address interruption of their functions and key systems. Further simulation exercises take place throwing scenarios at managers and CMT to review processes and ensure continual planning and improving. Work has been done regarding recovery of IT systems (after a real life power cut) – in response to this there was a de-brief and processes were improved and changed in response.

A simulation exercise will take place this summer to test processes and responses in place and there will be an external review of management processes in place.

#### **5. Risk Management and Board Assurance Reports – Covering Report**

The Director of Risk, Control and Compliance presented the report and explained that current high risk areas had been identified in the covering report. It was noted that the status of most of the strategic risks had reduced due to the need to ensure Stratford upon Avon College was compliant, staff training had taken place and processes were aligned to Solihull College.

Feedback was provided to EMT on the briefing prior to the meeting and explained that a new format would be created based on an RSM example that had been used as part of a recent

RSM Workshop. Area 4 accommodation would be used to scope out the new format and circulated to the Audit Committee prior to the June meeting, when it was hoped that the new formatted risk register would be presented for approval. **ACTION.**

Q. Why are apprenticeships a current high risk?

A It relates to the issues around the implementation of recent changes to apprenticeships causing a lot of volatility and nervousness about how to comply with new requirements. There have been substantial changes and colleges are now reliant on employers working with them to complete information and being compliant. This presents some specific and current risks, that will hopefully subside as all get used to the new process. It was suggested that the Director of Employer Services be invited to the next meeting to present on how the apprenticeship risks were being managed to mitigate risk. **ACTION.**

### **5.1 Strategic Risk Register**

The Director of Risk, Control and Compliance presented the risk register and confirmed that risks relating to merger with Stratford upon Avon College had been incorporated and had resulted in risk status reducing in the short term, whilst all processes were aligned

### **5.2 Institute of Technology (IOT) Project Risk Register**

The Director of Risk, Control and Compliance explained that a bid had been submitted for the development of the IOT with local colleges and universities. A specific risk register would be compiled if the bid was successful. This had become a higher risk than originally anticipated as the College had become the 'anchor' college, due to BMet's Ofsted rating.

### **5.3 ESF Business Elevator Risk Register**

The Director of Risk, Control and Compliance presented the risk register for the ESF Business Elevator and explained that an audit report was currently being finalised and this may impact on the content of the risk register.

Q. Has the audit report informed the Risk Register at all?

A. It has informed the register in an indirect way, as the Director of Risk, Control and Compliance is the ESF Project Manager the 2 processes were taking place at the same time, so discussions with auditors did inform the production of the Register. Recommendations were given verbally and informed the first submission of the Register. However once the audit report is finalised the Register may change.

### **5.4 Board Assurance Framework**

The contents of the Board Assurance Framework were received.

### **5.5 Board Assurance Action Plan**

The Director of Risk, Control and Compliance presented the Board Assurance Action Plan and noted that this would be brought within the new Risk Register/Board Assurance format by adding a column for actions to be taken.

### **5.6 On-going Board Assurance**

The Vice Principal Finance explained that this report provided independent assurance reports provided other than those by the College's internal or external auditors. It was noted that the UMAL report and action plan for Stratford provided assurances in addition to other processes.

Q. Are you checking with UMAL where the comments haven't been fully understood?

A. Yes and this will be reflected in the comments, so any others will be further reviewed. The Health and Safety Officer will ensure compliance by departments and review risk assessments

as appropriate.

## 6. Internal Audit Reports

### 6.1 Key Financial Controls – Payroll

The Internal Auditor explained that the audit had found substantial assurance, making only 5 low priority actions. She explained that 2 recommendations from the audit last year had been implemented.

Discussion took place regarding reconciliations and it was noted that there was evidence that they had been prepared but just not signed off. An overall checklist was being developed to ensure they were signed off.

Discussion took place regarding business insurance regarding staff using their own cars for College business and it was noted that the College operated a self-declaration process, although if staff are found not to have business insurance, the College's insurer will provide cover. The task to ensure all staff had business use insurance would be onerous and has not presented an issue in the past.

### 6.2 Capital and Estates Management

The Internal Auditor explained that the audit had found substantial assurance, making 2 medium and 5 low priority actions. It was noted that the strategy for Stratford was underway.

Discussion took place regarding the long lead time for completion of the contracts log (Jul 2019) and it was noted that this included tenders and creating an approved supplier list, so was a long term process.

Confirmation was provided that the process for purchase orders had changed to ensure that all orders were being raised prior to purchasing items.

### 6.3 Progress Report

The Internal Audit presented report and noted that there was not currently a plan for using the contingency days identified.

Q. Are there any issues coming out of the cyber security audit?

A. The report would be circulated once complete, rather than the Committee waiting until June to see the outcome. The GDPR audit would also be circulated once complete. **ACTION.**

It was noted that audit action points from audit prior to merger had been incorporated in the Management Report on Implementation of Audit Recommendations.

### 6.4 Benchmarking Report

The Internal Auditor presented the report and noted that it was a useful report to compare the College against the sector. She noted that there had been no high priority action for the last 3 years.

## 7. Health and Safety Termly Report

The Vice Principal Finance presented the termly report and noted that the Policy had been updated to incorporate roles at Stratford upon Avon College. She explained that accident statistics would be incorporated for the next meeting. **ACTION.** There were no areas of concern in terms of accidents. Staff training modules would be rolled out to all Stratford staff and it was suggested that it would be useful to know which courses are compulsory and which are not with % of staff that have completed them. It was noted that recent bad weather did not seem to have

had an impact on the rate of accidents.

An update was provided regarding insurance claims for a motor vehicle incident and an accident at the Woodlands campus.

It was suggested that information regarding first aiders and fire wardens to confirm there are sufficient staff in place for evacuations and drills be included in the report in future. **ACTION.**

**RESOLVED** to recommend approval of the Health and Safety Policy to the Corporation for approval.

#### **8. Data Protection GDPR Update**

The Director of Risk, Control and Compliance presented the Data Protection GDPR action plan and explained progress to date. Processes were being implemented at Stratford upon Avon College and staff would receive the level 2 online training module in due course. Staff at all sites were being made aware of their responsibilities in terms of College processes and procedures.

An internal audit was currently underway. An audit would also take place at the Stratford site to establish how information was being stored by staff. IT processes and security in place was being reviewed.

Q. How well prepared are we to provide the required documentation, ie privacy statements?

A. Work was underway with the College Legal Adviser to ensure all documentation and policy statements were in place. External advice was also being sought to confirm assurance.

Discussion took place regarding the Data Protection Bill and it was noted that a separate policy had not yet been established. It was confirmed that information regarding sensitive data had been gathered as part of the audit.

#### **9. Terms of Reference of the Audit Committee**

The Clerk to the Corporation presented the terms of reference for the Committee and noted that they had been approved by the Corporation as part of the Governors' Handbook. It was important that members were aware of the changes. The contents of the terms of reference were noted.

#### **10. Insurance Review Report**

*This item was deemed as confidential and the internal and external auditors left the meeting.*

#### **11. Performance Review of External Auditors for 2016/17**

*This item was deemed as confidential and the internal and external auditors left the meeting.*

#### **12. Stratford upon Avon College Audit Plan – period ended 31<sup>st</sup> January 2018**

*This item was deemed as confidential and the internal and external auditors left the meeting.*

#### **13. Management Report on Implementation of Audit Recommendations**

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

#### **14. Date of the Next Meeting**

The date of the next meeting was scheduled for Monday 18<sup>th</sup> June 2018 at 6pm.

**15. Value for Money Update Report**

*This item was deemed as confidential and the internal and external auditors left the meeting.*

**16. All Additional Work – Ad Hoc Audits and Work by College Auditors**

*This item was deemed as confidential and the internal and external auditors left the meeting.*

Signed: 

Date: 24 / 8 / 18