

HAVERING SIXTH FORM COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Wednesday 7th March 2018 at 6.00 p.m.

Present: Richard Bint, Rodney Eborn, Atul Vadher

Apologies: David Humber

Attendance and quoracy: Meeting quorate. 3 out of 4 Members present (75%)

In attendance: Paul Nutter Deputy Principal
Andrew Frater Assistant Principal
Sue Bannocks Assistant Principal
Simon Tolaini College Accountant
Paul Goddard Scrutton Bland
Leisyen Keane Scrutton Bland
Cathy Horne Clerk

In the Chair: Richard Bint

A/18/01	Declarations of Interest No declarations were made.	
A/18/02	Minutes of the meeting held on 21st November 2017 The minutes were approved and signed by the Chair as a true record.	
A/18/04	Matters Arising <u>A/17/37 – Exploration of issues arising from contribution analysis</u> – the Deputy Principal confirmed that there were no classes with more than 24 students. He added that the average class sizes were: Upper 6 th - 15, Lower 6 th - 18, GCSE - 16, BTEC Level 2 - 15 and BTEC Level 3 - 17. The Chair suggested that this could be used as a marketing advantage as it compared well to schools. Referring to the action relating to performance against profit, the Chair noted that the additional information requested, including a RAG rating, would be included in future reports.	PGW
6.05 pm Rodney Eborn joined the meeting		
	<u>A/17/38 – Risk Management Report</u> – The Chair commented that there was a red risk around GDPR and requested a presentation by the Head of Continuous Improvement at the next meeting focussing on the areas where the College was not yet compliant. Members added that it was important the Committee were aware of any areas of concern and also the timescale for when the College would be compliant. The Assistant Principal, Performance, Services and Resources, explained that a tracking document was in place. The Clerk informed the Committee that the Head of Continuous Improvement would provide a briefing at the Development Conference in May as well as the more detailed presentation around compliance at the June Audit Committee. <u>A/17/41 – Review of the Financial Regulations</u> – The Chair confirmed that the two actions identified for the Finance Manager were not expected to come back to the Committee. <u>A/17/43 – Annual Report of the Audit Committee</u> – The College Accountant and Clerk	GJF GJF

	<p>confirmed that the references to the Regularity Audit had been amended to Regularity Assurance Engagement.</p> <p><u>A/17/46 – Internal Audit Reports</u> – The Chair noted that the amendments to the Risk Management report had been completed and would be considered under item 5. Referring to the issue of staff undergoing safeguarding training, the Chair confirmed that this had been dealt with at the Corporation and he was satisfied that all staff had now been trained. He emphasised the need for Scrutton Bland to agree with management that any statements made were factually accurate.</p> <p><u>A/17/47 – Letter of Representation</u> – The College Accountant confirmed that the fonts had been corrected prior to presentation to the Corporation.</p> <p><u>A/17/48 – Draft Financial Statements</u> – The College Accountant confirmed that all of the actions had been completed prior to presentation to the Corporation in December.</p>	
<p>A/18/05</p>	<p>Risk Management Report <i>Papers: Strategic Risk Report; Risk Register; Risk Management Action Plan</i></p> <p>The Chair introduced the paper commenting that the cover page clearly set out the changes made to the report following recommendations by Scrutton Bland. He noted that the Board Assurance Framework had been deleted and the risk register and Strategic Risk Report were now consistent. The Assistant Principal, Performance, Services and Resources, confirmed that the reports had been amended in accordance with advice received from Scrutton Bland. They were now easier to read and consistent with other reporting. Members agreed that the reports were easy to read and simpler to understand. A Member commented that it would be helpful to know if a risk was static or improving. Referring to the Risk Register, the Chair, expressed concern that there was very little movement from gross risk to residual risk on most of the risks indicating that the actions in place had no effect. Paul Goddard of Scrutton Bland agreed with this statement and the Assistant Principal AGREED to raise it with the Principal. Following on from this comment, the Chair noted that in risk 1.7 the gross risk of 8 had moved to 0. He pointed out that whilst good progress had been made there was still a small level of risk. The Deputy Principal AGREED to reconsider this risk, commenting that Operational Executive regularly monitored staff who were on a Skills Enhancement Plan (SEP) or Performance Enhancement Plan (PEP).</p> <p>The Assistant Principal explained that there was a new risk relating to merger with Havering College of Further and Higher Education. Referring to red risks 4.1.8 and 4.1.9, the Assistant Principal explained that they had moved from likely to almost certain due to issues at Capita, including the inability of their software to delete records in bulk. He informed Members that the College were meeting with Capita's Compliance Director on 23rd March for further discussions. Responding to questioning, he explained that the issues were multifaceted but that there were nine million records held on Capita software and that liability rested with the College. The Committee expressed concern and requested further information from the Head of Continuous Improvement at the presentation in June.</p> <p>The Committee RECEIVED the report.</p>	<p>ANF</p> <p>PAN</p>
<p>A/18/06</p>	<p>Student Numbers 2017/18 and Student Applications 2018/19 <i>Paper: Report on Applications for 2018/19</i></p> <p>The Assistant Principal, Marketing, Recruitment, Admissions and Alumni informed Members that, since the paper had been written, a successful interview week had taken place with a total of 2013 offers made. There were 228 fewer offers compared to the previous year but this was thought to be due to the snow which had particularly affected the number of applicants attending on Wednesday and Thursday. Monday and Tuesday had, in fact, been better attended than the previous year. A 'mop up' session was planned for Tuesday 20th March with 400 interviews scheduled. The Assistant Principal explained that the interview week had been held two weeks earlier than the previous year and that some changes had been made, following feedback, including</p>	

	<p>all interviews taking place in the main building rather than Newcourt.</p> <p>The Assistant Principal explained that revised conversion rates had been used to generate the student numbers target of 2404 which had been approved by the Corporation in December. She informed the Committee that current indications were encouraging and there were no reasons to believe that the target would not be met. Responding to a Members comment that previous optimism had not been borne out, the Assistant Principal reminded Members that the detailed marketing operational plan, brought to the Corporation in January, was reviewed every two weeks with new actions added as required. She added that the data was being monitored and a more accurate prediction could be provided after the mop up interviews. She explained that applicants were being asked whether the College was their first choice although, as this was the first year this information had been recorded, it was not possible to compare with previous years. She informed Members that the information gathered was GDPR compliant and could be used to gain follow up information, follow up on the 24% who didn't attend their interview and ensure a more robust 'keeping warm' campaign.</p> <p>A Member commented that the unique selling point of the College was that students were treated like adults and it was an excellent stepping stone between school and university or work. Responding to a comment by a Member that local headteachers should be a focus, the Deputy Principal explained that the Principal was visiting all Heads within the Borough. The Assistant Principal added that all schools were legally required to provide independent information, advice and guidance (IAG). She added that applications from Borough schools, particularly 11-18 schools, were good, as shown on the attached paper, but it was the job of the College to convert applications to enrolments. Members were informed that most of the work was taking place within Havering to try to increase market share but that all liaison events the College were invited to were attended. A Member asked whether it would be possible to have data showing the percentage of students applying from each school, particularly the ten with the most applicants. The Chair suggested that Members discuss competition and market share at a full Corporation meeting.</p> <p>The Chair questioned the improved predicted conversion rate for level 2 students to the lower sixth and from lower to upper sixth. The Assistant Principal explained that she and the Assistant Principal, Quality and Curriculum, had been working on a progression policy and there had been significant work with level 2 students. She confirmed that retention was better than in the previous year and the increase in the number of linear A levels would also have an impact on retention from lower to upper sixth.</p> <p>Members noted that the total number of funded learners for 2017-18 was 2326 against a target of 2620.</p> <p>Summing up the report, the Chair confirmed with the Assistant Principal that 2013 offers had been made to date, actions were in place around conversion and she was confident that the target would be reached with nothing to suggest anything other than a slight shortfall. The Assistant Principal agreed and informed Members that a report would be brought to the Corporation on 30th April showing applications to the end of period one and part of period 2.</p> <p>The Committee RECEIVED the report.</p>	
<p>A/18/07</p>	<p>Internal Audit Assignment Report – Student Attendance and Progress Monitoring <i>Paper: Risk and Assurance Report on Learner Attendance and Progress Monitoring</i></p> <p>Referring to the report, Leisyen Keane of Scrutton Bland explained that the audit had resulted in one medium and one low recommendation and that Significant assurance (second highest level of assurance) had been given. Members noted that improvements had been made since the student recruitment and retention audit in 2016/17 with regard to the marking of registers, however the audit had found 185 unmarked registers and further improvements were required. Referring to the</p>	

	<p>attendance target, the Deputy Principal explained that this had been increased to 95% from 90% and a further increase to 97% was currently being considered for 2018/19. He explained that students were made aware that attendance below 95% was unacceptable.</p> <p>Responding to a Members comment that it seemed unfair to include authorised absence if, for example, a student was attending a university open day, the Deputy Principal explained that any absence meant that a student was not receiving teaching. He added that it was important for coaches to know the reasons so that they could deal with it appropriately but, in terms of teaching, the student was still missing a lesson. The Member commented that it would be helpful for the Committee to know how much of the overall College absence was authorised and the Deputy Principal agreed to provide this information. A Member commented that management could show a correlation between student attendance and achievement but asked whether the same thing had been done to compare poor teaching against student attendance. Leisyen explained that this had not been the remit of the audit which had taken a sample of 12 classes across the Faculties to check whether registers were taken and latecomers marked as late or in attendance. The Chair commented that 185 unmarked registers seemed high.</p> <p>In response to a Members question regarding a College late policy, the Deputy Principal explained that, overall, the College would prefer students were allowed in, however late, as some learning was better than none. However, individual staff were able to decide based on the amount of disruption it would cause. He added that period one, beginning at 8.30 am, was the most significant with approximately 16% of students arriving late.</p> <p>Referring to the medium recommendation on page 4, the Chair commented that the College had a large number of KPIs and the addition of a further one regarding staff marking registers within the first 20 minutes was probably unnecessary. Paul Goddard commented that this was just part of the overall recommendation. The Chair thanked Scrutton Bland for their report.</p> <p>The Committee RECEIVED the report.</p>	PAN
<p>A/18/08</p>	<p>Implementation of Audit Recommendations – progress report <i>Paper: Risk and Assurance Recommendations – 2016-18</i></p> <p>Introducing the report, the Assistant Principal, Performance, Services and Resources, explained that it was a working document which showed the actions and management responses since the last report to the Committee in November. Members were informed that good progress had been made against the recommendations. One low risk recommendation concerning software had been escalated to a high risk through the risk management process and was now included on the Risk Register.</p> <p>The Committee RECEIVED the report.</p>	
<p>7.10 pm Paul Goddard and Leisyen Keane left the meeting</p>		
<p>A/18/09</p>	<p>Financial Statements' and Regularity Assurance Reporting Accountant's Performance Review <i>Paper: Financial Statements and Regularity Audit Performance Indicators 2016/17</i></p> <p>The College Accountant confirmed that Buzzacott had, once again, performed very well and he was pleased with their work. Referring to the rating, he explained that he had scored them 23 out of 24 with one point deducted due to the changes in fieldwork personnel which had slightly affected continuity. The Committee agreed with the College Accountants assessment.</p> <p>RESOLVED: The Committee APPROVED the performance review for the Financial Statements and Regularity Assurance Reporting Accountants for 2016/17.</p>	

7.15 pm Paul Goddard and Leisyaen Keane returned to the meeting

<p>A/18/10</p>	<p>Appointment and Remuneration of the Financial Statements' Auditor and Regularity Assurance Reporting Accountants <i>Paper: Cover Page</i></p> <p>The College Accountant reminded Members that a mini-competition process had taken place two and a half years ago, after which Buzzacott had been appointed for three years. This was, therefore, the final year of the current contract. He informed Members that Buzzacott's fees for the audit of the financial statements, the Regularity Audit and the TPA Audit for 2017/18 were £17,226 including VAT. This represented a 2% increase on the prior year and was in line with their tender. He added that, even with the increase, the fees were good value.</p> <p>The Chair requested a paper to the June meeting setting out the process and timetable for the tender process which would need to take place in the autumn term.</p> <p>RESOLVED: The Committee APPROVED the reappointment of Buzzacott as the Financial Statements' Auditor and Reporting Accountants for the financial year 2017/18.</p>	<p>SJT</p>
<p>A/18/11</p>	<p>Review of the Value for Money Policy <i>Paper: Draft Value for Money Policy</i></p> <p>The College Accountant informed Members that, other than updating the College Mission Statement, there were only minor changes to the Policy. The Chair suggested that the annual report on value for money provided to the Committee be referred to within the Policy. He commented that value for money was as much about quality as cost and suggested an additional bullet point in section 3 stating that both cost and quality would be considered when considering new contracts or equipment.</p> <p>Referring to section 5 'Framework of Controls', a Member commented that benchmarking with similar organisations was helpful and the Chair added that the London Sixth Form College Partnership was particularly valuable in this respect.</p> <p>Paul Goddard of Scrutton Bland, noted that the College produced a value for money report for the summer Audit Committee, adding that it was good practice and not all colleges did so. The Chair requested the College Accountant to make reference to the annual Value for Money Report in the annual report of the Audit Committee to the Corporation.</p> <p>RESOLVED: The Committee, on behalf of the Corporation, APPROVED the Value for Money Policy, subject to the amendments detailed above, for a period of five years until the end of the spring term 2023.</p>	<p>SJT</p> <p>SJT</p> <p>SJT</p>
<p>A/18/12</p>	<p>Review of the Anti-Fraud, Corruption and Bribery Policy <i>Paper: Anti-Fraud, Corruption and Bribery Policy 2018-23</i></p> <p>The Assistant Principal, Performance, Resources and Services, informed Members that a thorough review had been undertaken including checks to other related policies. Changes included reference to the 2016 Auditing Standards and the addition of section 5 which informed staff how the policy would be implemented and how they could raise a proposal or grievance. He confirmed that this was being added to all policies as they were reviewed.</p> <p>Members requested that changes to all policies brought to the Corporation or one of its Committees be shown through 'tracked changes' so that it was clear what had been added or removed.</p> <p>The Chair asked the Assistant Principal to add a reference to the Whistleblowing Policy in section one under 'concerns of staff', commenting that it was relevant to fraud as well</p>	<p>Executive</p> <p>SJT / CLH</p> <p>ANF</p>

	<p>as bribery. Paul Goddard of Scrutton Bland suggested including attempted fraud as an agenda item at every meeting, explaining that it would be useful for the Committee to know about near misses which otherwise would not be reported. Following the College Accountants comment that the annual report of the Corporation to Buzzacott included any cases of fraud, a Member commented that the Corporation were confident that fraud or attempted fraud would be reported. The Chair asked the College Accountant and the Assistant Principal to consider Scrutton Bland's suggestion as to whether an agenda item at every meeting would be helpful.</p> <p>RESOLVED: The Committee, on behalf of the Corporation, APPROVED the Anti-Fraud, Corruption and Bribery Policy subject to the amendment detailed above, for a period of five years until the end of the spring term 2023.</p>	ANF / SJT
A/18/13	<p>Evaluation of Meeting <i>Paper: Evaluation of Audit Committee Meeting and Paper</i></p> <p>Members were asked to complete the evaluation forms individually and return them to the Clerk at the end of the meeting.</p>	
A/18/14	<p>Date of Next Meeting Monday 25th June 2018 at 6.00 pm.</p>	

The meeting ended at 7.35 p.m.

Chair _____

Date _____

CLH 8th March 2018