

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

MEETING OF THE AUDIT COMMITTEE HELD ON

THURSDAY 10th MARCH 2016

AT 6.00 P.M. IN ROOM 246 COPPER BUILDING

Present: Sarah Bovill, Sandra Prail, Sue Smith and Tom Wolfenden (Chair)

In Attendance: Jutta Knapp, Chris Thomson, Lee Newman (Internal Auditors, Mazars), Louise Pennington

A15/16 Apologies and Welcomes

Michael Bewlock and Shirley Brookes-Mills

In the absence of Shirley Brookes-Mills, it was noted that the training session entitled "SAR Process including initiatives for improvement and further developments", would be deferred until the Summer Term meeting. **ACTION: Shirley Brookes-Mills.**

A15/17 Minutes of the Meeting held on 24th November 2015

The minutes of the last meeting were agreed and signed as a correct record of the meeting.

A15/18 Matters Arising

The contents of the schedule on pages 7 and 8 of the papers were noted by the Committee and Jutta Knapp confirmed which actions had been completed or were on the Agenda/scheduled for a future meeting. Louise Pennington agreed to update the schedule. **ACTION: Louise Pennington**

Referring to Item A14/41 and A15/03 Action from confidential business regarding Trends in Applications, conversion rates and associated recruitment risks, in the absence of Shirley Brookes-Mills who had prepared the confidential paper responding to the action, the Committee noted the contents of this and also that the Q & C Committee had received and discussed the same paper at its recent meeting. In response to various queries from the Committee, Jutta Knapp and Chris Thomson explained the current Admissions process, including the waiting list process relating to Category 7 applications. It was noted that SMT would be reviewing proposals and would bring back any changes (if any) to the Admissions Policy (via Q & C Committee) next term.

A15/19 Declarations of Interest

None

A15/20 Internal Audit Reports

Lee Newman presented the Report, the contents of which were noted by the Committee and Lee highlighted the following key points:

- a) Corporate Governance – Key Performance Indicators (KPIs)
 - Prior to the audit, it was noted that although KPIs were presented to Governors, there was no KPI dashboard in place.
 - Section 3 on page 13 of the papers highlighted the key findings of the audit work and the key risks in respect of Governance were found to be Failure to monitor the financial viability of the Institution (3) and Failure to monitor arrangements for Quality Assurance (4). Mazars recommended that KPIs should be in place for these 2 key risks in order to improve control and act as early warning indicators should the risks worsen.

- Three areas for improvement and action have been highlighted including that relating to the 2 governance risks noted above. It was recorded that as a consequence of Mazars recommendation and following discussions with SMT, the definitions of which KPIs should be used was agreed at the December 2015 Corporation meeting and SMT are working to develop a dashboard to be presented to Corporation later this term (Priority 2) – in this regard Chris Thomson confirmed that Appendix 3 (measures agreed at December 2015 Corporation) to the latest Strategic Plan would be presented to the March Corporation Meeting. The final dashboard is likely to be no more than 2 sides of information for Governors, with graphical presentation for ease of reference – this is scheduled to be ready for December 2016 Corporation meeting, having incorporated the latest examination results etc. Lee Newman also confirmed that a dashboard template example had been passed to Jutta Knapp and that another example was included on pages 11 and 12 of the meeting papers. Regarding the financial KPIs, Jutta Knapp confirmed that these had been agreed with the Finance Committee and that the detailed parameters would be considered and finalised by SMT shortly. The Committee also noted page 15 of the papers giving the top 10. It was agreed that an update should including Quality and Learners/Finance and Resources KPIs used by Mazars' client base (including GFEs). In response to a request from the Committee, it was agreed that updated information including dashboard presentation, should be included in the Audit Committee meeting papers for the Summer Term's meeting. **ACTION: Jutta Knapp**
- Furthermore there were two other housekeeping priority recommendations as detailed on page 17 of the papers, the first of which has been agreed, namely – as part of the KPI Dashboard introduction, include a list of definitions to ensure all high level KPIs are reported consistently to Governors. The second housekeeping recommendation – College should consider the Top Ten Quality and Learner and Top Ten Finance and Resources KPIs, as detailed on page 14 (Sector Comparison) in their KPI dashboard formulation and also consider using a KPI for the completion of staff appraisals (not currently reported by the College). The Committee noted SMT's decision not to include staff appraisals as it was not seen to be a measure of College performance (and is reported separately to the HR Committee). Furthermore Chris Thomson explained that currently the Teaching Staff appraisal process was being developed in line with the implementation of the new Teacher pay scales, so is not been overlooked. Lee Newman also confirmed that the use of staff appraisals as a KPI was regularly used by General FE Colleges, so probably wouldn't have the same relevance to SFCs.
- Within the value for money section on page 14 of the papers, the Committee noted the College's Capita Advantage software which has been purchased recently to record and manage the College's central records, including Student information and HR. However it was noted that the College did not have integrated software as "Resource" which is a good system already used for the Finance Records, and includes the required format for the financial statements. Although it was recognised that there was the potential for error in not having one integrated system, the Committee agreed that there were measures in place to reduce and monitor entry errors, including management controls initiated and overseen by the CI S Manager, with limited rights for staff to amend spreadsheet fields etc. The Committee noted the comments made within the Report, particularly the significant time element for management and staff to compile performance monitoring data and the potential for error where the preparation and collation of data is carried out manually.

At this point in the meeting, the Chair asked Lee Newman whether he wished to raise any issues in the absence of the Management and he advised that there was nothing to report.

A15/21 Update on Internal and External Audit Recommendations

There were no outstanding internal audit recommendations, noting that the December 2015 Internal Audit Visit had been delayed owing to the Principal recruitment process. The only External Audit recommendation regarding the identification of assets already scrapped which remain on the Fixed Asset Register is being implemented (implement procedure to capture the disposals).

A15/22 Risk Management Update

The Committee noted the contents of the updated report prepared by Chris Thomson. The following points were made:

- Changes to register on page 28 of papers.
- Risk 12 Serious breaches of Health and Safety – it was recorded that the new part time Health and Safety Officer, who had been appointed 2 weeks ago to succeed Richard Tabor (retired), had resigned owing to travel issues to and from work. Until another appointment can be made (to be advertised next week), Jutta Knapp and Lester Grice (Estates Manager) will have responsibility for H & S matters.
- Risk 29 Failure to manage expectation of entitlement under the SEND (Special Educational Needs and Disabilities) Code of Practice and the Equality Act – in response to a query from the Committee regarding the new risk added, Chris Thomson explained the issues and management time involved in the misunderstanding by parents in this area regarding “making reasonable adjustment”. It was also noted that this matter had been reported to Q & C Committee by James Moncrieff. The Committee also queried actions and outcomes and reference was made to the detailed Action Plan on page 44 together with the responsibility to monitor assurance adequacy with the Q & C Committee in this case.
- Page 38 – the Committee endorsed HR Committee’s recommendation that Risk 41 should be removed from the Risk Register (failure to review remuneration/salary level within the College). It was also resolved that a section in respect of closed risks should be included at the end of the Register. **ACTION: Chris Thomson**

Risk 38 Inability to recruit staff of the required experience and expertise including temporary cover – The Committee asked whether there were any particular recruitment issues and Jutta Knapp advised that nationally there was greater difficulty in sufficiency of numbers in respect of Teacher vacancies, but that Support Staff appointments were usually at good levels. Reference was made to the recent Head of Maths vacancy where there were only two internal candidates and no external candidates.

The Committee discussed the forthcoming 3 day IT internal audit and it was resolved that in the first instance it would be best to commission Mazars to complete an IT health assessment looking at IT strategy and security, after which should further IT audit work be recommended, this could be pursued at a later day – to be reviewed at the June Audit Committee meeting. **ACTION: Jutta Knapp/Mazars**

A15/23 Risk Assurance

Jutta Knapp presented the paper to the Committee, noting that this had been updated since the last meeting. It was also reported that the various Committees had confirmed that they were satisfied with the assurances in place in respect of the risks for which they were responsible. (Refer Committee minutes – HR, Q & C and F & GP).

A15/24 Performance Indicators for Financial Statements’ Auditors (External)(RSM)

The Committee agreed the indicators listed. However it was recorded that Jutta Knapp had not met the new Audit Manager on this occasion owing to the fact that there was a late change in staff. Although it was noted that Jutta Knapp knew the Audit Partner, Jenny Hill very well, it was agreed that a note should be added to the indicators’ schedule to record this point and to ensure that a face to face meeting with the Audit Manager is held this year (comments section). **ACTION: Jutta Knapp**

A15/25 Reappointment and Remuneration of Internal and External Auditors

The Committee recommended to Corporation the reappointment of the Internal (Mazars) and External (RSM) Auditors together with the remuneration terms: Internal £622 per day including VAT and External £13,368 including VAT. **ACTION: Jutta Knapp**

The Committee also noted some comparison figures from other local SFCs, which Jutta Knapp had presented in a table for information.

A15/26 Fraud Report

Nothing to report.

A15/27 Any Other Business

None.

A15/28 Date of Next Meeting

Thursday 23rd June 2016 at 6.00 p.m.

Louise Pennington

Clerk to the Corporation

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Chair of Audit Committee

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Dated

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