

CONFIDENTIAL



The Henley College Corporation

**MINUTES of the Meeting of the Audit Committee  
held on Monday 21<sup>st</sup> March 2016 at 3.00 pm**

**Members present:**

Simon White (Chair)  
Louise Adams  
Mohammed Khaliel

**In attendance:**

Simon Cuthbert, Acting Principal  
Kulbir Sethi, Director of Finance & Resources  
Nikki Hounsell, Property & Estates Manager  
Sarah Martin, PA to the Principal (Note Taker)

<b>Agenda item</b>	<b>Minute</b>	<b>Action by:</b>
<b>2.1</b> 15/16	<b><u>Opening of meeting</u></b> The meeting opened at 15.09. SW welcomed SCUT as newly-appointed acting principal and MK who had not attended an Audit Committee previously.	
<b>2.2</b> 15/16	<b><u>Apologies for absence</u></b> Apologies for absence were received from Stephen Forward, Jeni Wood, Charles Wiggins, Buzzacott.	
<b>2.3</b> 15/16	<b><u>Declaration of interests</u></b> None declared.	
<b>2.4</b> 15/16	<b><u>Minutes of the meeting of 16<sup>th</sup> November 2015</u></b> Agreed as accurate.	
<b>2.5</b> 15/16	<b><u>Matters arising</u></b> None	
<b>2.6</b> 15/16	<b><u>Health &amp; Safety Report</u></b> ➤ <b>Update on Estates Security</b> The Committee had detailed discussion about current security arrangements at the College including:  - Funds for security improvements formed part of the 2016 BCIF application. - Interim short-term measures outlined. - Confirmed that a security report had been presented to the AS	

	<p>Committee and was deemed to be unsatisfactory as there were no recommendations. JDAV had agreed to move this forward. There had been no action with the exception of advice in connection with legal matters. Report is required to assess risks, look at solutions and prioritise actions. It was recognised that a number of the actions could be operational.</p> <ul style="list-style-type: none"> <li>- Recognised that a level of external expertise may be required.</li> <li>- Concern that dealing with matters on a piecemeal basis may result in lower priority items, in terms of risk, being dealt with first and could result in a number of separate planning applications which is not the most effective way of dealing with the planning authority or community.</li> <li>- Duties under Prevent Agenda noted.</li> </ul> <p>ACTIONS</p> <ul style="list-style-type: none"> <li>- LA, SCUT, KSET and NHOU to discuss the scope of a report and how to expedite matters.</li> <li>- JGEA to recirculate the original security report to Audit.</li> <li>- Accommodation Group to look at short term measures.</li> </ul>	<p>LA, SCUT, KSET, NHOU</p> <p>Corporation Secretary ASG</p>
<p>2.7 15/16</p>	<p><b><u>Internal Audit Reports</u></b></p> <ul style="list-style-type: none"> <li>a) Assurance Report on Subcontracting controls 2015 -16</li> <li>b) Subcontracting and Henley College Training Review</li> <li>c) H&amp;S</li> </ul> <p>KSET explained that it was usual to decide three audit areas at the start of academic year, one of which was to be 'value for money'. The first audit for 2015/16 focused on subcontracting due to a specific SFA requirement; this audit for SFA was clean. The second audit was to be value-for-money but a change was now proposed to cover 'health and safety' instead given value for money would be addressed by the current Area Review process. NHOU explained that intent would be to carry out an annual H&amp;S audit but has not been done recently. KSET clarified that this audit covers the narrow scope of H&amp;S in terms of the H&amp;S legislation executive rather than wider security issues such as Prevent.</p> <p>Committee agreed H&amp;S should be an area of focus.</p> <p>MK noted that areas for audit should not be chosen at random but reflect highlighted areas of concern. KSET and SFW explained process to decide 2015/16 risks.</p> <p>KSET explained that items 2.7 and 2.8 were related. He turned to 2.7a initially followed by 2.8. 2.7a relates to the SFA funding body.</p> <p><i>Subcontracting Audit</i></p>	<p>KSET</p>

KSET explained was a clean audit but noted one recommendation from Buzzacott: all subcontracts should contain a clause that the SFA have the power to enforce each subcontract directly. SCUT explained that this covers students and apprenticeships. He raised that it is one of the areas to consider in terms of academisation and whether it would still be possible to subcontract as an academy. LA noted the need to ensure this point is clear in the Area Review report. SCUT explained that at the moment it would involve having to request permission from the Secretary of State, which is currently the case, for example, with schools selling land. KSET explained that Buzzacott have indicated that the College's contract with any subcontractor includes a clause regarding SFA enforcement.

*Action: It was agreed that the SFA's enforcement clause should be added as contracts come up for renewal, usually annually.*

KSET explained that the main audit had covered The Henley College Training. A summary of recommendations was contained in page 3 with four recommendations. There are no high priorities in these.

KSET turned to 2.8 (page 4, Action Plan). KSET explained that during the audit, there had been a case of missing target forms for apprentices, but this had been a limited case. DMON had confirmed that this is not a continual problem so the only action identified was a minor one. The other issue raised related to the method of costing courses and the need to include administrative overheads. Overheads are by their nature difficult to allocate, so only direct costs are currently allocated. There is then a margin to cover overheads. The auditors have accepted this. SCUT explained that with apprenticeships, there are a lot of different but similar courses, which makes it difficult to split out costs.

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KSET explained that the auditors are also seeking a similar costing process across all the courses, which will ensure that they make a good margin. KSET confirmed that overall, there had been no areas that had been a surprise in the audit and a number of actions had already been planned. However, there is a need to look at the College's refunds policy. If an attendee cancels within three weeks of a Henley Training Company course, they are given a full refund. Elsewhere, colleges use their discretion in providing refunds, but this can lead to bottle necks as it requires someone to make a judgement on each case. Other colleges do not offer refunds at all. MK suggested the need to err on the side of the students. SCUT confirmed that most of the HTC courses do not qualify for local authority grants. KSET explained that at the moment there is a discretionary allowance for refunds, although students agree to receive no refund when they sign up. MK raised that consumer rights have been strengthened under new statutory regulation. He suggested some flexibility on refunds is required.

	<i>Action: To be discussed further at SLT.</i>	
<b>2.8</b> 15/16	<b><u>Internal Audit Feedback</u></b> ➤ <b><u>Management comment on Subcontracting and Henley College Training Review</u></b> (See notes above).	
<b>2.9</b> 15/16	<b><u>Review of Notes of Risk Management Group</u></b> MK had attended the last Risk Management Group and summarised some of the key discussion points. He noted need for College to focus on IT risks.	
<b>2.10</b> 15/16	<b><u>Update on Risk Register</u></b> Committee discussed how to address risk issues which might be deemed so sensitive it would not be appropriate for all who see the general risk register. The specific example of a principal resigning was discussed and Committee agreed such a risk must always be captured but it may be appropriate that is in a Board-level/strategic risk register as distinct from the operational risk register which is open to all College.  <i>Action: It was agreed that confidential, strategic risks will need to be recorded in some way. Corporate Secretary to be instructed to see how other Colleges structure the two types of risk – operational and strategic to limit circulation of the second category.</i>	<b>Audit</b>
<b>2.11</b> 15/16	<b><u>Any Other Business</u></b> SW suggested the need for another Audit Committee meeting before 6 <sup>th</sup> June. MK highlighted that he will be unavailable during Ramadan (6 <sup>th</sup> June – 5 <sup>th</sup> July).	
<b>2.12</b> 15/16	<b><u>Items to be taken forward to next Corporation Meeting</u></b> <i>Action: The list of risks that could not be discussed by the College Risk Management Group due to their level of confidentiality.</i>	<b>SW</b>
<b>2.13</b> 15/16	<b><u>Date and Time of Next Meeting</u></b> Currently scheduled for 6 <sup>th</sup> June. Another meeting to be organised prior to then.	<b>Corp. Sec.</b>
<b>2.14</b> 15/16	<b><u>Close of Meeting</u></b> The meeting closed at 16.32.	

MINUTES of the meeting held on Monday 21<sup>st</sup> March 2016 were agreed and accepted as a true and accurate record and signed by the Chair

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