

The Henley College Corporation

MINUTES of the Meeting of the Audit Committee held on Monday 26 February 2018 at 17.00		
Members Present: Stephen Forward Mohammed Khaliel David Welch Jeni Wood Tony Sanderson In attendance: Satwant Deol Jim McCaffrey Eva Dixon Jacky Gearey	Independent Member/Chair Independent Member Independent Member Independent Member Co-opted Principal Health & Safety and Security Manager Interim Director of Finance (DofF) Clerk	
Agenda Item	Minutes	Action by
2.1	Opening of meeting The meeting opened at 17.00. The Chair welcomed Tony Sanderson the new co-opted member of the committee.	
2.2	Apologies for Absence There were no apologies.	
2.3	Declaration of Interests No interests were declared.	
2.4	Minutes of the Meeting of 20 November 2017 Resolved: The Committee agreed that the Minutes were an accurate record of the meeting of 20 November and were signed by the Chair.	
2.5	Matters Arising from Previous Meeting After providing clarification of the minutes to certain members of the committee who were absent from the previous meeting, the Chair went through the following action items: Item 1.7 – Financial Statement Auditors - DofF confirmed the following: (i) an independent review of the Resource IT system – this had been undertaken and the estimated capital expenditure to provide a more up to date efficient and integrated system was in excess of £100,000 in order to have a system that was specifically designed to support finance, HR, apprenticeships and the learner systems. Whilst the cost was very high at a time when the College was strictly monitoring its costs, the Chair and committee felt that not to invest in better IT might cause greater problems down the line, and that this issue should be brought before the Corporation for further discussion.	

The Henley College Corporation

	<p>(ii) that notes on the restricted reserve had been sent to Buzzacott. The DofF also said that she was providing a paper on the restricted reserve to the Finance & Resources committee, the Chair asked that this paper be sent to the Audit committee via email by the Clerk.</p> <p>Item 1.8 - Internal Audit Services – DofF confirmed the following:</p> <p>(iii) An overview of the high-level financial process be completed asap and sent to Clerk who would send out to the committee</p> <p>(iv) Quotes were being sought for the ILR and cyber security penetration audit. DofF preference was for RSM who were also the auditors for the ESFA and who had estimated that the cost would be in around £10,000 but that would depend on the specifications asked for. Quotes would be available around May and certainly before the year end. The Chair asked for this to be hastened and that once quotes have been received for the DofF to send these to the Clerk who can then send them on to the committee.</p> <p>There was further discussion about the merits of outsourcing the IT Audit, or at least some parts of this, and the Principal confirmed that all aspects were being reviewed and considered.</p> <p>Item 1.10 – Risk Management The Chair said that as a result of the recent audit of the Henley Training Company in September/October 2017 two risks were now identified for enrolments (a) 16-18 old provision; and (b) apprenticeships.</p> <p>Item 1.11 – Health & Safety Security Review – a revised plan for campus security had already been implemented with positive results regarding increased security staff and patrols. Given that the previously authorised £200K campus security 3-phase plan had now been overtaken by events, the Chair asked that the Corporation Board be informed about the current plans and implementation for campus security via the Principal's report – Clerk to put this item forward to the Corporation.</p> <p>The Business Continuity Plan which was still work in progress and the Chair asked that once it was finalised for it to be sent out to the Clerk so that it could be sent to the committee for review and constructive comments.</p> <p>Resolved:</p> <p>(i) Item 1.7 – (i) Capital expenditure for IT to be brought before the Corporation</p> <p>(ii) Item 1.7 – (ii) DofF to send paper on restricted reserve to Clerk for committee.</p> <p>(iii) Item 1.8 – (iii) DofF to send high-level version of financial process to Clerk who would send out to the committee</p> <p>(iv) Item 1.8 – (iv) DofF to confirm quote for cyber security penetration testing and to send to Clerk who would send out to the committee</p> <p>(v) Item 1.11 - The Principal's report for the Corporation to include a security update</p>	<p>DofF / Clerk</p> <p>DofF / Clerk</p> <p>DofF / Clerk</p> <p>DofF/H&S&Sy Manager/Clerk</p>
--	---	--

The Henley College Corporation

2.6	<p>Internal Audit Reports MIS Review</p> <p>The College requested that an independent review be undertaken of MIS to identify how best it can be moved forward to effectively support the College in delivering current and future strategies. The work had gone through a competitive tender process and Centime Ltd had been selected.</p> <p>The review identified 3 high priority issues:</p> <ol style="list-style-type: none"> 1. The College's student record and HR systems are currently underdeveloped and not sufficiently utilised which has led to fragmentation, high reliance on spreadsheets, inefficient processes and an imbalanced view of organisation performance. It was viewed that the lack of HR system(s) could be a significant risk for management. 2. The MIS organisation has had several changes and is now unable to meet the demands of the business, there is a gap in the Adult Education budget knowledge and the application of the funding methodology to utilise finding, planning and performance. The primary function of the MIS department is to meet the obligations of the funding agreement. 3. The College does not have the ability to easily review its overall business performance. Whilst there are several reports on student performance data, finding straightforward financial, people and business devilmnt type intelligence is cumbersome, untimely and erroneous. <p>The DoF explained that the review recommended the following:</p> <ol style="list-style-type: none"> (i) the linking of all systems had been asked for together after a total review of all current systems; (ii) the reorganisation of the MIS/IT team (iii) consolidate and utilise current systems and develop a robust MIS/IT Strategy - the IT strategy is already agreed on the Strategy Plan on a Page. (iv) consolidate and develop a Business Intelligence Strategy <p>The Chair said that the review had made a number of hard-hitting comments and that he would like this go to the Corporation for information.</p> <p>Resolved:</p> <ol style="list-style-type: none"> (i) that the MIS Review Report was received by the committee (ii) that the Principal and DoF provide an abbreviated MIS report to the Corporation for information with costings <p>ESFA Funding Audit Report (Confidential)</p> <p>The DoF briefed the committee on the auditors RSM Risk Assurance Services LLP who had been commissioned by the Education and Skill Funding Agency to provide a draft report on the funding assurance review for 2016 – 2017. The report covered the funding stream for the following:</p> <ol style="list-style-type: none"> (a) Adult Apprenticeships, adult education budget and 16 – 18 provision; (b) Apprenticeships from 1 May 2017; (c) Advanced Learner Loans; and (d) 16-19 provision. 	<p style="text-align: center;">DoF / Principal</p>
-----	--	---

The Henley College Corporation

	<p>The Chair asked that this report be summarised, an action plan be drawn up, and both taken to the Corporation for information.</p> <p>Resolved:</p> <p>(i) that the Report on the Funding Assurance Review was received by the committee</p> <p>(ii) that the Principal/DofF to provide a summarised version of the report with an action plan for the next Corporation meeting</p>	DofF / Principal
2.7	<p>Internal Audit Feedback</p> <p>The DofF informed the committee that the College was still waiting for the RSM auditors' feedback which was expected at the end of March beginning of April. This feedback would be presented on 11 June 2018.</p> <p>The Chair then asked about the tenure of the exiting auditors and the DofF confirmed that this was the last academic year that Buzzacott would be used before a tendering process through the CPC framework started in June. The last meeting that the current auditors would attend would be the November meeting in 2018 to discuss the previous 2017-2018 accounts.</p> <p>In anticipation of a decision being required at the June Audit Committee meeting regarding tender options, the Chair asked the DofF to send the following to the Clerk so that she could email to the committee:</p> <p>(i) external audit specification</p> <p>(ii) Internal audit specification; and</p> <p>(iii) the tender specification for the External Auditors</p> <p>Resolved:</p> <p>(i) that the DofF to send the Clerk the specifications referred to above; and</p> <p>(ii) that the Clerk send this information once received to the committee.</p>	DofF Clerk
2.8	<p>Action Report on Audit Recommendations</p> <p>The DofF reported on the following action from the audit recommendations:</p> <p>1. Downloading journals – actioned and completed</p>	
2.9	<p>Health & Safety Report</p> <p>The Security and Premises Manager presented the health, safety and security report for March 2018. There had been no issues. Training was to be provided through e-learning package "Safesmart" as this was thought to be easier for all staff due to their restricted working hours.</p> <p>The security plan for the College was being reviewed due to the proposed estates strategy and it was felt that more time was needed to make sure further upgrades and installations were still correct and cost effective.</p> <p>The Principal asked that a vote of thanks be recorded to the Security and Premises Manager and his team who had worked so effectively over the past few months in ensuring the safety of students at the college.</p>	

The Henley College Corporation

2.10	<p>Whistleblowing Policy</p> <p>The Chair presented a revised draft of the Whistleblowing policy which in consultation with HR was felt to be fit for purpose. The committee felt that some small amendments were required to the scope of the policy namely that after all avenues of complaint had been addressed then the use of this policy was the final recourse.</p> <p>Subject to the above the committee asked that this policy be presented to the Finance & Resources committee for final review before going forward to the Corporation for approval. The Chair emphasised that the policy was fit for purpose but needed to be reviewed for best practice and asked for this to be done by the November meeting.</p> <p>Resolved:</p> <p>(i) the Whistleblowing policy was agreed subject to the change above and to be forwarded to the Finance & Resources committee meeting for further review and thence onwards to the Corporation.</p> <p>(ii) Doff/Principal to ensure that HR complete a full review of best practice whistleblowing policies such that a revised College policy is prepared for the November 2018 Audit Committee meeting.</p>	<p>Clerk</p> <p>Doff/Principal</p>
2.11	<p>Risk Management</p> <p>(i) The report from the Risk Management Group meeting held on 6 November 2017</p> <p>(ii) Risk Register</p> <p>(iii)</p> <p>The Chair had previously briefed the Audit committee at the previous meeting 20 November on both the Risk Management Group meeting and the updated risk register which had taken place 6 November 2017. At the time no physical copies were available. These are now both submitted for information.</p> <p>Resolved:</p> <p>(i) that the Notes on the Risk Management Group from 6 November 2017 were received by the committee</p> <p>(ii) that the Risk Register was received by the committee</p>	
2.12	<p>Any Other Business</p> <p>The Chair raised the issue of the General Data Protection Regulation (GDPR) that will apply to all organisations, including colleges, from 25 May, 2018. It will replace the Data Protection Act 1998 (DPA 1998) which governs the way organisations process personal data about people (students, employees etc), and the legal rights that individuals have in relation to that data. There are proactive steps that the college will need to take in order to ensure its policies and procedures are up to date and compliant for when the GDPR comes in next year. The Principal and Doff confirmed that the college was actioning this.</p> <p>The Chair then asked that this subject be added to the standing agenda items and expected to see a GDPR policy by 11 June 2018 meeting as the College must be compliant 25 May 2018.</p>	

The Henley College Corporation

	Resolved: (i) a GDPR policy to be presented to the committee by 11 June 2018 (ii) GDPR to be added to the standing agenda items	DofF Clerk
2.13	Items to be taken forward to next Corporation Meeting: 1. An abbreviated MIS / RAB IT report with costings 2. A report on current campus security plans in light of the previous £200K 3-phase security plan being overtaken by events. 3. Summarised version of the Funding Assurance Review report 4. Whistleblowing Policy - once formal agreement received through Finance & Resources committee	DofF/Clerk Principal/Clerk DofF/Clerk Clerk
2.14	Date and Time of Next Meeting The next scheduled meeting is on Monday 11 June 2018 at 16.30	
	Meeting Closure The meeting closed at 18.57	
	MINUTES of the meeting held on Monday 26 February 2018 were agreed and accepted as a true and accurate record and signed by the Chair on	