

## The Henley College Corporation

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### MINUTES of the Meeting of the Audit Committee

held on Tuesday 15 March 2022 at 10.00 via remote participation

<p><b>Members Present:</b> Brian Fennelly Dr Tim Lincoln Chris Murray Tony Sanderson</p> <p><b>In attendance:</b> Eamonn Egan Mark Griggs Jim McCaffney Ashok Patel Dakshita Takodra Jacky Gearey</p>	<p>Independent Member/Chair Independent Member Independent Member Co-opted</p> <p>Vice Principal Incumbent Finance Resource &amp; Controller HSS Manager Director of Finance (FD) - Interim TIAA Ltd Clerk</p>	
<b>Agenda Item</b>	<b>Minutes</b>	<b>Action by</b>
	<p><b>Opening of meeting</b> The meeting opened at 10.01 with the Chair welcoming Mark Griggs as the incumbent financial controller.</p>	
	<p><b>Apologies for Absence</b> There were no apologies.</p>	
	<p><b>Declaration of Interests</b> There were no declarations of interest.</p>	
2.1	<p><b>Minutes of Previous Meeting</b></p> <p>(i) The minutes of the meeting the 8 November 2021 (ii) The minutes of the remote decision request made 19 November 2021</p> <p>The committee agreed that the minutes of both the meeting 8 November 2021 and request for a remote decision 19 November 2021 were accurate records of the meeting held and decision taken.</p> <p><b>Resolved that:</b></p> <p>(i) <b>the Committee agreed that the minutes of 8 November 2021 were an accurate record of the meeting held</b></p> <p>(ii) <b>The committee agreed that the minutes were an accurate record of the remote decision request made 19 November 2021</b></p>	
2.2	<p><b>Matters Arising from Previous Meetings</b></p> <p>Item 1.3 - pension calculation to be sent to the committee – FD apologised as thought this had been sent – to be actioned after meeting.</p> <p>Item 1.4 - Disaster Recovery Plan – the Chair wanted to know if the planned rehearsal for Easter 2022 was still viable. FD said that there would be a delay and that both IT and estates were working on this with the aim of providing an initial draft document to be shared with the committee after Easter. A presentation on IT was scheduled for the Board meeting 28 March 22 as this was viewed as a critical element and the committee concurred. The FD acknowledged that this was urgent and reassured the committee that the College was going through the immediate risks.</p> <p>Item 1.4 - GDPR breaches – TIAA to provide a brief for next meeting</p> <p>All other matters arising from the previous meeting had been closed and there were no further issues.</p>	

## The Henley College Corporation

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2.3	<p><b>Internal Audit Reports</b> Dakshita Takodra from TIAA Ltd went through the first of two internal reviews, the assurance review of the learner numbers and the second the financial controls</p> <p><b>Learner Numbers</b> – the review considered the checks completed by MIS staff in relation to learner records with compliance testing carried out to test data completeness/accuracy. The review provided reasonable assurance that the College continued to have comprehensive systems and controls in place for ensuring the accuracy of student data. There were two main findings where controls could be strengthened namely the need for enrolment forms to be put in place for all students and to be signed by all relevant parties and for the forms to include time spent by students at their current address and also residency status in accordance with ESFA guidance. Two routine comments were made regarding all parties signing EHCP documentation and the reasons for transfer students to be stated. The committee asked about the importance of the enrolment form being signed and the ID documents referred to in the review. The VP explained that the usual process was interrupted when the College brought in the electronic enrolment process and that coupled with Covid wherein students did not come into the College to present their documents had been the reason for this. For reassurance the VP confirmed that these processes had been amalgamated online and that there was provision to note those by exception and deal with them when they arrive in college. The committee felt that the explanation provided by the VP gave reassurance to the committee that this issue was now resolved as otherwise such failings were not acceptable.</p> <p><b>Financial controls</b> - the scope of the review looked at the operation of following systems in accordance with the College's requirements: Accounts Payable, Accounts Receivable, General ledger including journals, controls accounts, bank reconciliations and cash management. There had been two routine recommendations raised concerning the Financial regulation to include date of next review and to ensure that journal approvals are dated. TIAA confirmed substantial assurance saying that the College had a robust system of internal controls in place operating effectively to ensure that risks are managed, and process objectives achieved. The Chair said that this was a positive outcome and a credit to the finance department and TIAA concurred.</p> <p>TIAA referred to the GDPR breaches and penetration testing and advised the committee that further information would be provided at the next meeting. Additionally a discussion will be held with the FD re utilisation of the remaining days on plan to ensure TIAA follow up on actions appropriately especially on the cybercrime audit recommendations, and this may mean using days planned for a governance review.</p> <p>Dakshita Takodra wanted to thank staff for their co-operation and assistance during the course of their work and the Chair reciprocated.</p> <p><b>Resolved that the internal audit reviews on financial controls and learner numbers were received and noted by the committee</b></p>	
2.4	<p><b>Risk Management</b> The risk management group meeting had had to be rescheduled and therefore the risk register as presented had not been updated as such from the previous meeting</p>	

## The Henley College Corporation

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	<p>in November 21.</p> <p>The Chair asked for reassurance about the number of risks that were being covered off by finance and HR and whether this should be reflected the RAG rating on the register. The VP said that because of the amount of work and changes within the HR department, an HR consultant has been recruited to provide additional support to HR. The FD said that the risk register was working well but there was a shift in the College from financial risks to HR namely the ability to recruit and retain staff and would include pay inflation. The FD said that a meeting was planned to discuss the mitigations regarding this and that the Chair of Audit would be invited to attend. Additional questions were raised regarding the risk on attendance and whether it was reasonable to give a green RAG rating. The VP explained that schools were showing a 10% decline in attendance and that this was a national issue. Whilst the College had been at 88%, last year saw a drop of 2% with a further drop currently to 84%. This had been discussed in detail at the Quality and Standards committee meeting the previous day where 3% of this was directly attributed to Covid. Whilst the College had not met its target, it had performed better than known institutions in the area. A further discussion centered on the measures the College was taking to address this to include more staffing for example recruitment student welfare officers. The VP reassured the committee that the College was on track to achieve target and that Ofsted were not looking at attendance figures in schools and colleges this year but would do so for the next academic year.</p> <p>The Chair said that there was concern about the capacity of HR making the risk more critical. For reassurance the FD explained that with the receipt of in-year growth funding thereby negating the planned deficit for the year, the College's financial position was very strong enabling the critical staff areas to be addressed and that HR was identified as one of those areas. Additionally this had just been discussed at the recent Finance &amp; Resources meeting where it was agreed that there was now an opportunity to set up a financial strategy in line with HR strategy as there are no lagged funding issues. An update will be provided at the next Board meeting.</p> <p>The HSS Manager wanted to draw the committee's attention to the increase in energy costs for both gas and electricity which has gone up. The FD said that a 30% increase has been added in but this did not include the recent global crisis and could go up, however a contingency would be set up for this. Other non-pay costs were also going up and this was also being looked at.</p> <p>The Chair thanked the FD for the update.</p> <p>Dakshita Takodra left the meeting at 10.45.</p> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li><b>(i) the risk register was received and noted by the committee</b></li> <li><b>(ii) FD to arrange for Chair of Audit to be invited to meeting to discuss risk mitigations on staffing</b></li> </ul>	
2.5	<p><b>Health &amp; Safety</b></p> <p>Now the government have removed the Covid restrictions the College is following the guidelines as per instructed by the relevant bodies who are over seeing these constraints. However the College has kept the College's Covid risk assessment/controls updated for possible consequences that might be needed to ensure business continues safely. The Chair asked about Covid testing – lateral flow testing still being offered to students and staff for collection until the College runs out. VP said that the College guidance was to stop any student or member of</p>	

## The Henley College Corporation

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	<p>staff coming onto site if testing positive. There is more absenteeism especially for staff testing positive.</p> <p>The HSS Manager then advised the committee of the following:</p> <ul style="list-style-type: none"> <li>• Testing was held on both sites, but this has now stopped as no longer compulsory.</li> <li>• Water systems – D1 water tank decommissioned and replaced through the mains water</li> <li>• Fire evacuation systems – Looking to be actioned at the end of the March, the delay had been due to Covid.</li> <li>• Asbestos – test on R4 outhouse was positive for asbestos however room has been encapsulated making it safe now to use as a storeroom.</li> <li>• Staff training – still using SmartLog and back to face to face training for first aid, IT department had cyber security training</li> <li>• Annual Gas certification for 3 properties owned by the College completed</li> <li>• Back to one security guard at the College</li> </ul> <p>There were no questions. <b>Resolved that Report on Health &amp; Safety was received and noted by the committee</b></p>	
2.6	<p><b>GDPR Update</b> FD said that there had been no new requests.</p> <p><b>Resolved that the GDPR update was received by the committee</b></p>	
2.7	<p><b>Any Other Business</b> There was no other business.</p>	
2.8	<p><b>Items to be taken forward to next Corporation Meeting:</b> (i) Risk register</p>	<b>Clerk</b>
2.9	<p><b>Date and Time of Next Meetings:</b> 1. 6 June 2022 at 10.00</p>	
	<p><b>Meeting Closure</b> The meeting closed at 11.07</p>	