

# Wakefield College Corporation

## Board of Governors Audit Committee

### Minutes of the Meeting held on 14 March 2017

1 **Present:** Andrew McConnell, Ian Parsons (Chair), Andy Wallhead,  
Andrew Watts

Clerk to the Corporation

**In attendance:** Deputy Principal, Jonathan Creed (ICCA-ETS)

**Apologies:** Emma Elvin

### 2 **Declarations of Interest**

2.1 On Agenda Item 7 (Risk Management, Control and Governance), on the risk relating to not keeping pace with technological changes, Andrew Watts advised that he was involved in developing one of the key controls – the Business Systems Strategy for 2016/17.

2.2 On Agenda Item 8(iii) (Internal Audit Report on Apprenticeship Growth Strategy and Response to Reforms), Andrew Watts reported that he was a member of the Business Systems Team that was responsible for addressing the recommendation to add a new Apprenticeship tab to the Corporate Dashboard.

### 3 **Minutes of the Meeting held on 22 November 2016**

#### **Resolved**

That the minutes of the meeting held on 22 November 2016 be approved.

### 4 **Matters Arising**

4.1 On minute 7.3(i) (Status of Outstanding Audit Recommendations), on the action to review and update the apprenticeship webpage (655), it was noted that this would be returned to the spreadsheet of outstanding audit recommendations for its next review by which time it should be confirmed as having been completed.

### 5 **Role and Responsibilities of the Audit Committee**

5.1 ICCA-ETS provided a presentation on the role and responsibilities of the Audit Committee and also of the internal auditors. This was to respond to the needs of several new members of the Audit Committee. Areas covered included:

- (i) the drivers behind requirements on colleges for an Audit Committee (Joint Audit Code of Practice (JACOP), now referred to as the Post-16 Audit Code of Practice), Financial Memorandum;
- (ii) the composition of the Audit Committee;
- (iii) the minimum terms of reference of the Audit Committee;

- (iv) responsibilities with respect to fraud / irregularity and whistleblowing;
- (v) the Audit Committee Annual Report;
- (vi) the role of the internal auditors and the changes introduced by the JACOP.

## 5.2 Issues discussed by Governors included:

- (i) the Audit Committee's responsibility to be advised of suspected or actual instances of fraud. It was felt that government's apprenticeship programme was likely to be the target of fraud as had been the case with previous initiatives involving significant sums of public monies, such as Individual Learning Accounts. From the College's perspective, there was an expectation that appropriate controls would be in place. Apprenticeships were also expected to be a clear focus for the College's external auditor;
- (ii) whether there were any examples of good practice undertaken by other colleges that Wakefield College did not do. It was noted that this was not the case. Jonathan Creed opined that the effectiveness of audit committees lay ultimately in the quality of the membership of the committee, the senior management and of the auditors;
- (iii) the good practice checklist included in the training module on the Audit Committee could be used as part of the annual review of the Audit Committee's terms of reference and compliance with the terms of reference.

## 6 Status of Outstanding Audit Recommendations

6.1 The Deputy Principal reported that of the eight outstanding audit recommendations given a high or medium priority, three had been implemented, two were due and three were not yet due (but all scheduled to be completed by the end of the month). A commentary was provided on the following recommendations:

- (i) Workforce Planning (649) – the Executive Team had recently received the draft Human Resources and Organisational Development Strategy. A final version would be considered by the Board within the current academic year;
- (ii) Study Programme Health check (653) – the recommendation to develop reports to allow management to monitor the Personal, Employability, Enrichment and Progress (PEEP) and Higher Education, Aspirations and Transition (HEAT) information recorded in ProMonitor had been rescheduled for March 2017. Business reviews held in March demonstrated that, while good progress had been made in the reporting of PEEP and HEAT, more work remained before the recommendation was met in full;
- (iii) Post Implementation of New Finance System (660) – the recommendation to collate new financial procedures into central financial procedures covering key processes and controls across the College. This work had been held up due to technical issues relating to the College's new finance system. A new deadline of July 2017 was sought;
- (iv) Use of Learner Destination Data (661) – while this recommendation was recorded as being complete, it was reported that reliable destinations data was proving difficult to obtain and further work had been commissioned.

6.2 Governors considered the following issues:

- (i) Board Assurance Framework (628) – the work involving linking the Board Assurance Framework and the Strategic Plan was ongoing. SMART key

- performance indicators were required for the strategic objectives and it was suggested that a revised due date of July 2017 was appropriate as this was when the draft Strategic Plan 2017-2020 would be considered by Governors;
- (ii) Business Development Unit (654) – a short term strategy on employer engagement was now in place and a full strategy would be complete by July 2017. This was proposed as a revised due date;
  - (iii) proposed revised dates; these were all agreed. It was requested that the table included in the coversheet to the paper would benefit from having an additional column that indicated the due date and any subsequent revisions.

## **7 Risk Management, Control and Governance**

7.1 The Deputy Principal opined that the risk register for 2016/17 was standing the test of time and identified three risks for particular mention:

- (i) development of a learning culture (Ref. 1), which was crucial to a good Ofsted outcome;
- (ii) responding to apprenticeships reforms (Ref. 2), which was a key development for the College;
- (iii) disposal of the Thornes Park Campus (Ref. 4), where consultation meetings highlighted the strength of feeling around development on the already developed campus footprint. Panacea were progressing the planning application and a further meeting was planned with the local authority.

7.2 Issues discussed by Governors included:

- (i) the embedding of a learning culture that drives continuous improvement in teaching, learning and assessment (Ref. 1). As the position of this significant risk had not improved since the last review, Governors sought assurance that this risk was being effectively managed. It was noted that a number of interventions were in place and that their effectiveness was being assessed;
- (ii) the Skills White paper (Ref. 3), with reference to the Budget announcement to increase funding for technical training from 540 to 900 hours per year. It was noted that this would impact both on College staffing and accommodation requirements;
- (iii) the disposal of the Thornes Park Campus (Ref. 4), where it was noted that Governors would be updated at the Board meeting on 28 March and that any decision regarding planning permission for this site would be political;
- (iv) work related experience (Ref. 8). The work placement team was now in place and the bigger risk was now felt to be the capacity of the district's employers to host work placements. It was suggested that an internal audit review on the College's strategy and actions to engage employers might be appropriate in the second term of 2017/18.

## **8 Internal Audit Reports**

### **(i) Corporate Governance – Post Area Review**

8.1 ICCA-ETS reported the following points:

- (i) the audit was designed to review the suitability and effectiveness of the existing model of governance and membership composition in ensuring

- effective decision making is undertaken by the Board in pursuit of achieving the College's strategic direction post area review;
- (ii) following a request by Governors at the previous meeting, the report had been reviewed and redrafted with input from the Clerk to the Corporation;
  - (iii) changes from the initial report included a revision of the application of design controls to 'good' (previously 'adequate'). This resulted in an overall assurance of 'substantial' (unchanged from the initial report);
  - (iv) the original four recommendations remained. However, the recommendation to provide training to the Board on child protection (safeguarding), the statutory requirements of the Prevent Duty, revisions to the Common Inspection Framework and the Apprenticeship Levy had been reduced from medium priority to low priority. It was noted that all recommended training had been provided in the intervening period;
  - (v) the remaining medium priority recommendation was to complete the self-assessment against the Code of Good Governance for English Colleges in advance of the December 2016 Board meeting to demonstrate compliance and then report that compliance in the Report and Financial Statements. It was noted that the College had decided to not meet the recommended timeframe but seek to adopt the Code during the 2016/17 academic year.

8.2 Governors were content with the redrafted report, feeling that it better represented the College's position. ICCA-ETS was thanked for the redrafting.

## **(ii) Performance Management Framework**

8.3 ICCA-ETS reported the following points:

- (i) the audit was designed to provide an independent assurance opinion on the design of, and compliance with, the College's Performance Management Framework (as it pertained to teaching staff);
- (ii) the design controls were considered 'good', their application 'adequate', which combined to give an overall assurance of 'reasonable';
- (iii) three medium priority recommendations were made;
  - to conduct a moderation exercise to review the quality and consistency of the actions set in the Learning Action and Development Plans and in the setting of appraisal objectives and in sharing good practice in the quality of setting objectives and targets between appraisers;
  - to deliver management training to curriculum heads on how to write SMART actions in Quality Improvement Actions Plans (QIAP); devise a moderation and standardisation exercise to ensure that all actions set are measurable and time bound; and, hold curriculum heads accountable for improving the quality of teaching, learning and assessment in their curriculum area by setting appraisal objectives for the quality of self-assessment and quality improvement planning;
  - to consider whether staff who require re-observation should be referred to the informal and formal stages of the Capability Procedure at an earlier stage; and, to amend the Lesson Observation guide to create a more formal Lesson Observation procedure which makes reference to the College's Performance Management Framework and in particular the capability procedure.
- (iv) all recommendations had been accepted.

#### 8.4 Governors considered the following issues:

- (i) whether the College was getting a handle on managing underperformance of its teaching staff. It was noted that the College still had some way to go before it could unequivocally answer 'yes'. However, the College's proposal to tighten the lesson observation procedure by ensuring that any re-observations were undertaken within two weeks of the first observation would ensure that timeliness would improve. The preferred approach would mean that the performance management would automatically take place if the re-observation was unsatisfactory;
- (ii) whether the College's journey to outstanding was realistic until the overall quality of teaching had improved. It was noted, however, that the proportion of good and outstanding teaching had been on an upward trajectory over a number of years;
- (iii) that the quality of teaching might be better reviewed in more detail through an annual report, possibly as part of a Core Strategic Item, than via the performance dashboard.

#### **(iii) Apprenticeship Growth Strategy and Response to Reforms**

#### 8.5 ICCA-ETS reported the following points:

- (i) the audit was designed to provide assurance that the College had developed appropriate strategies, plans, systems, controls and processes in order to effectively respond to the apprenticeship reforms, mitigated the risks associated with the reforms, and maximised the opportunities available to the College;
- (ii) the design controls were considered 'adequate, their application 'adequate', which combined to give an overall assurance of 'reasonable';
- (iii) the overall timbre of the report was that there were a lot of actions to be done in a relatively short space of time and that this was required because the College's competitors would also be moving quickly in this area as well;
- (iv) one high priority, four medium priority and two low priority recommendations were made;
- (v) the high priority recommendation was to formally assess the risks and develop appropriate mitigation plans / strategies in response to the reforms and undertake detailed financial modelling;
- (vi) the four medium priority recommendations included:
  - to review the structure roles and skills of the Employer Engagement and Apprenticeships team and develop clear and cohesive plans linked to the College's Apprenticeship Strategy;
  - to update the Apprenticeships Development Strategy to set out the agreed strategic approach for levy paying and non-levy paying employers to be adopted by the College;
  - to continue to review existing frameworks to include all of the frameworks the College offers and agree a timeframe for this work;
  - to update its Marketing Plan for Business Development to include the launch period of the apprenticeships reforms and raise awareness of the new co-investment system amongst its existing small and medium sized enterprises;
- (vii) all recommendations were agreed.

8.6 The Deputy Principal reported that the Skills Funding Agency had not yet included the College on the Register of Apprenticeship Training Providers, as further information had been requested. He indicated that other colleges were in the same situation and likened the College's failure to secure registration as a technicality. The delay in securing this status was not thought to be an issue: the registration process would open early again and the College would likely only delay its apprenticeship programme by about three weeks.

8.7 Governors considered the following issues:

- (i) the College's action of appointing an experienced Executive Director Employer Engagement and Apprenticeships to take leadership in this area. An opinion was expressed that the audit report did not give sufficient prominence to this significant step;
- (ii) the delay in securing registration as an Apprenticeships Training Provider. Governors sought assurance that the College would not lose business to competitors as a consequence of this. It was noted that this was not thought likely.

## **9 Review of Effectiveness of Meeting and Identification of Emerging Risks**

9.1 The risk of not having secured registration as an Apprenticeship Training Provider was noted; existing risks relating to apprenticeships had been revisited and the Committee indicated that these would need close scrutiny going forward.

9.2 The Clerk to the Corporation indicated that the documents (Audit Committee Terms of Reference, Module 12 – The Audit Committee and the Post-16 Audit Code of Practice) associated with the presentation on the Role of the Audit Committee should ideally have been circulated with papers the previous week. He indicated that these were all highly relevant and should be reviewed by Governors at their convenience.

## **10 Date of Next Meeting**

10.1 The Chair commented that this would be the Deputy Principal's last Audit Committee meeting before he left the College at the start of April. He thanked the Deputy Principal for his excellent leadership in the areas of audit, finance and risk management these past eight years.

The date of the next scheduled meeting is Tuesday 27 June 2017 at 4.15pm.

Signed..... Date.....