

Wakefield College Corporation

Board of Governors Audit Committee

Minutes of the Meeting held on 8 March 2016

1 **Present:** Jason Malloy (Chair), Andrew McConnell, Michele Phillips, Andy Wallhead, Andrew Watts

Clerk to the Corporation

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

Apologies:

2 **Declarations of Interest**

2.1 Andrew Watts indicated an interest in the Study Programme Healthcheck Internal Audit Report (see minute 9), because his name was referenced for a number of the recommended actions.

3 **Minutes of the Meeting held on 24 November 2015**

Resolved

That the minutes of the meeting held on 24 November 2015 be approved.

4 **Matters Arising**

4.1 There were no matters arising.

5 **Development of the Board Assurance Framework (BAF)**

5.1 The College's Internal Audit Service (IAS) provider, ICCA-ETS, provided a brief presentation on the Board Assurance Framework. Key points covered included:

- (i) the history behind the College's development of the BAF. This included the introduction of the Joint Audit Code of Practice (JACOP) which, amongst other things, removed the requirement on colleges to appoint an IAS. In response, the College's development of the BAF had permitted the College to consider from where it received its various assurances;
- (ii) that, under the JACOP, the Audit Committee's opinion was now paramount, with a requirement that its annual report be submitted to the Skills Funding Agency (SFA) where previously it had been the annual report of the IAS;
- (iii) the response of the sector, in general, to these changes had been minimal: most colleges retained an IAS and only a few had developed a BAF.

5.2 Questions posed to Governors included:

- (i) Does the BAF currently give an appropriate level of assurance to the Audit Committee so that the Audit Committee, in turn, can provide an appropriate level of assurance to the Board?
- (ii) Does the Audit Committee understand what the Board wants and is the Audit Committee confident that it is delivering what is required?

5.3 Issues considered by Governors in response to the presentation and questions posed included:

- (i) that although the College had decided to retain an IAS, it had also developed a BAF to permit a broader consideration of the range of assurances it might wish to secure;
- (ii) whether Ofsted had a view on college audit arrangements. It was noted that Ofsted were interested in outcomes and not process;
- (iii) the College's approach to risk management (with reference to the development of the BAF). ICCA-ETS opined that the College was demonstrating best practice and doing what probably had been intended with the freedoms given under the JACOP;
- (iv) how the College compared with other colleges that had developed a BAF. ICCA-ETS indicated that a couple of colleges had developed very comprehensive BAFs, to the point where data management was probably unmanageable. It was noted that having a well-developed BAF had not prevented one of these colleges from recently securing a very poor Ofsted inspection. From the College's perspective, its BAF would be strengthened by addressing the outstanding audit recommendation (see minute 6.2(i)) to develop performance indicators to quantify the strength of each assurance;
- (v) that it was for the Audit Committee to ensure that appropriate assurances were in place and that the BAF itself was an appropriate tool for mapping that assurance. It was agreed that the BAF should focus on 'closing the loop', in terms of identifying key risks, relevant internal controls, associated assurances and the strength of those assurances by way of KPIs;
- (vi) that the College might consider developing a small group (6-12) of meaningful KPIs that addressed the key risks and not to try to have a KPI against every item of assurance. It was suggested that this might help sharpen the report and give focus to where it was most needed;
- (vii) the consequence of not having a performance indicator against every area of assurance. For example, whether an area of assurance that did not have a related performance indicator should be included on the BAF;
- (viii) how the Board might best receive its assurance. It was noted that the Audit Committee met on a termly basis and could provide feedback to the Board by way of the minutes of its meetings. It was suggested that the Board should have the opportunity to consider the BAF directly on an annual basis. Its inclusion alongside the Strategic Plan was thought timely, but this would need to be considered further by management. It was also suggested that the emphasis of the current "reporting arrangements" column on the BAF might be changed to identify what gets reported to Board and the date of last reporting;
- (ix) that the next iteration of the BAF be available for consideration by the Audit Committee at its next meeting on 28 June.

Andy Wallhead withdrew from the meeting at the end of this item.

6 Status of Outstanding Audit Recommendations

- 6.1 The Deputy Principal reported that of the four outstanding recommendations, two had been implemented, one was due and one was not yet due.
- 6.2 Governors considered the following outstanding audit recommendations:
- (i) Board Assurance Framework (628) – Development of the BAF was progressed at the current meeting (see minute 5) but would remain ‘in progress’ until it could be reviewed by the Audit Committee at its next meeting;
 - (ii) Curriculum Efficiency (634) – planning was already underway by the time the report had been finalised, so the previous deadline of September 2015 was considered too ambitious and extended to July 2016. The focus at the start of the academic year was on group size and staff utilisation. Other performance indicators to help inform decision making in the curriculum planning and development process included: (a) contribution by curriculum area (as opposed to contribution by course); and (b) staff to student ratio, but at the College level and not at course or curriculum level. Other metrics would be built into the next planning round.

Resolved

That the Status of Outstanding Audit Recommendations be noted.

7 Risk Management, Control and Governance

- 7.1 The Deputy Principal raised the following points:
- (i) three new risks that had been included on the Risk Register and Heat Map:
 - If we fail to effectively manage the transition from Teesside University to another validation partner, our Higher Education Strategy will be undermined (risk assessment = moderate);
 - If we are not able to demonstrate a credible approach to work related experience as part of study programmes, this may have an adverse outcome at inspection (risk assessment = major);
 - If our preferred partner for the Thornes Park Campus disposal is unable to deliver an appropriate development solution, we will not realise the site’s expected value within the next 18 months (risk assessment = significant).
 - (ii) on the transition to a new validation partner, it was noted that the College had been advised that it could still recruit to two year programmes in September 2016;
 - (iii) approval for the Advanced Skills and Innovation Centre (ASIC) had been received and so this risk had been downgraded;
 - (iv) the risk of an unfavourable funding audit had been avoided with a positive outcome received.
- 7.2 Governors noted that none of the identified risks had worsened and were content with the report as drafted.

8 Funding Audit Opinion

- 8.1 The Deputy Principal reported that the list of actions identified in the Funding Audit would not be included on the Status of Outstanding Audit Recommendations paper, but would be included as a separate update at the next meeting of the Audit Committee.
- 8.2 Governors were content with the report.

9 Internal Audit Reports

(i) Study Programme Healthcheck

- 9.1 ICCA-ETS reported the following points:

- (i) that, following a discussion with management, the scope of the audit had changed from a planned “conditions of funding health check” to a study programme health check. This would review the College’s approach to recording and monitoring the information held to support work experience activity and the new study programme components;
- (ii) the design controls were considered ‘good’, their application ‘weak’, which combined to give an overall assurance of ‘reasonable’. The conclusion that the application of controls was ‘weak’ was because the College was implementing a new process and did not yet have the desired consistency;
- (iii) study programmes had changed, with students having an entitlement for English and Maths and non-qualification hours for personal development, employability and work experience. In response, the College had developed the following new components to course footprints: Personal, Employability Enrichment and Progress (PEEP), Higher Education, Aspirations and Transition (HEAT), online learning and curriculum organised study;
- (iv) one high and three medium priority recommendations were made;
- (v) the high priority recommendation included actions to improve the recording of PEEP, HEAT and online learning on ProMonitor, better integration and categorisation of activity and hours undertaken. These had all been accepted by management;
- (vi) the three medium priority recommendations included:
 - actions to improve the provision and evidencing of work experience. Management agreed with the issues identified but were cautious in their response, noting that the recommendation for dedicated work placement officers would clearly represent an additional resource for the College, which would need to determine their affordability;
 - actions to improve quality checking to ensure that students were undertaking and recording their activity on ProMonitor. Management noted Individual Learning Plan (ILP) meetings already included an agenda for the consideration of ProMonitor activity but agreed that more could be done to ensure that tutors observed the agenda;
 - actions to improve the reporting of student activity so that it could be more closely monitored. Management again agreed with the identified issues, most of which were thought could be addressed through other agreed actions;
- (vii) that, overall, the College was in a good position with respect to any Ofsted review into study programmes.

9.2 Governors considered the following issues:

- (i) whether the College should try and capture study programme data on the Performance Dashboard as it was important from a funding and Ofsted perspective;
- (ii) that, at the most recent Board meeting, the Student Governors had raised the issue of a lack of knowledge from both students and staff (tutors) in recording this activity. It was noted that although the details of study programmes were provided to all students at the start of the year in a personalised letter from the Principal, more could be done to ensure the message got through, such as inclusion in the College prospectus;
- (iii) that the College had received an element of pushback from Year 2 students this year, as it had not been a requirement in the previous year.

(ii) Workforce Planning – Post-Enrolment Controls

9.3 ICCA-ETS reported the following points:

- (i) the audit was designed to: (a) test the College's processes after the main enrolment period to review its workforce requirements compared with the planned level of activity; (b) review how the College adjusted its workforce; and, (c) review the College's planned HR recruitment strategy to assess how it took into account staffing needs;
- (ii) the design controls were considered 'good', their application 'adequate', which combined to give an overall assurance of 'reasonable';
- (iii) three medium priority and one low priority recommendations were made;
- (iv) the medium priority recommendations included:
 - addressing underperformance in planned recruitment: Recommended actions included; (a) identifying those curriculum areas which successfully achieved against their 2015/16 enrolment targets; (b) critically evaluating the application of curriculum planning methodology for those who did not hit 2015/16 enrolment targets; and (c) ensuring existing staff skills were mapped thoroughly against the planned curriculum offer. Management indicated that the curriculum planning process was already subject to a critical review of the locked plan at two stages, but agreed that planning based on applications and offers could be more systematic. It was also agreed that a staff skills audit would be carried out to identify overstaffing and skills gaps;
 - Curriculum Planning – English and Maths: Recommended actions included: (a) setting up generic curriculum focussed slots on the cross-College English and Maths timetable for 2016/17 to allow movement between level and qualification; (b) creating clear guidelines for the timetabling of English and Maths; (c) ensuring noncompliance with timetable guidelines was addressed at a senior level; (d) improving the consistency of application of the student disciplinary procedure by curriculum teams and their English and Maths links; and (e) continuing to develop curriculum working groups to improve communication and understanding between the vocational teams and English and Maths teams. Management largely accepted these recommendations, noting that a number were already being addressed to some extent;

- HR Strategy: Recommended actions included: (a) continuing to develop the HR Strategy ensuring that a skills and qualifications needs assessment informed future plans to recruit; and, (b) working with local external agencies including local employers to develop the strategy to ensure that local needs were met. Management largely agreed that the HR Strategy would set out the College's approach to how it would address current and future staffing needs and was aligned with local needs and Local Enterprise Partnership priorities.

9.4 Governors queried the College's agility in workforce planning. ICCA-ETS opined that the College did 'pretty well' and had improved its performance in this area in recent years. The Deputy Principal added that the College held daily 'wash-ups' during the enrolment period where decisions were made whether to collapse or split groups. The College also used agency staff (Protocol National), so it had the ability to quickly add or remove teaching hours as required. The College also reviewed staffing and redeployed where possible.

Resolved

That the Internal Audit Reports be noted.

10 Review of Effectiveness of Meeting and Identification of Emerging Risks

10.1 It was agreed that the development session on the Board Assurance Framework had been very helpful and that its development could be finalised in the near future.

11 Date of Next Meeting

The date of the next scheduled meeting is Tuesday 28 June 2016 at 4.15pm.

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