Wakefield College Corporation

Board of Governors
Audit Committee

Minutes of the Meeting held on 13 March 2018

1	**Present:**	Emma Elvin, Karen Hands, Ian Parsons (Chair), Andrew Watts
		Clerk to the Corporation
	In attendance:	Executive Director Finance and Resources, Kath Stott (Audit Manager, ICCA-ETS)

Apologies:

1.1 The resignation of Tony Williams as a Governor and member of the Audit Committee, for health reasons, was noted.

2 Declarations of Interest

2.1 On Agenda Item 5 (Status of Outstanding Audit Recommendations), Andrew Watts advised of a reference to the Business Systems team, of which he was a member, in relation to recommendation 234 (Curriculum Design) on the feasibility of introducing online enrolment.

2.2 Similarly, on Agenda Item 7(i) (Internal Audit Report – Higher Education [HE] Growth Delivery Strategy), Andrew Watts advised of references to the Business Systems team in relation to two of the recommendations / management responses.

3 Minutes of the Meeting held on 21 November 2017

Resolved

That the minutes of the meeting held on 21 November 2017 be approved.

4 Matters Arising

4.1 On minute 3.1(ii) (Closed Session with Auditors), on the internal control issue on the authorisation of journals and the adequacy of the management response raised by Grant Thornton as part of the 2016/17 financial statements audit, it was noted that the Executive Director Finance and Resources now received regular reports on journals and selects a sample for further investigation. Governors noted that the financial statements auditors would review the effectiveness of this management action as part of the 2017/18 financial statements audit.

5 Status of Outstanding Audit Recommendations

5.1 The Executive Director Finance and Resources reported the following:

(i)   that although the percentage of recommendations that had been completed had fallen from 66% (19/29) in the period up to the previous meeting to 43% (9/21) in the period up to the present meeting, this did not mean that recommendations were not being given due priority;

(ii)   that there were three outstanding recommendations:

- action ref. 660 – that once new financial procedures were written, they be collated into central financial procedures covering key financial processes and controls across the College. This work was ongoing, but had been rolled out to the two biggest spending service areas (estates and IT). Training had proven to be a logistical challenge;

- action ref. 668 – to review the structure roles and skills of the Employer Engagement and Apprenticeships team. This work was being done in two phases with priority given to the restructure of the Business Development Team to create new roles aligned to funding reforms and levy requirements. This phase was completed in October 2017. The second phase included a review of the delivery and support teams, again refining roles in light of reforms and the levy. New roles and a structure had now been proposed;

- action ref. 690 – to continue to conduct an in-depth review of the curriculum offer in conjunction with the Marketing Department. Curriculum planning for 2018/19 was underway, with Curriculum Heads challenged to provide more robust information.

5.2   Governors considered the following issues:

(i)   that deadline dates for overdue actions should remain unchanged. It was noted that action 668 should be completed by the next meeting of the Audit Committee (26 June), while action 690 would not be completed until the autumn term;

(ii)   how Curriculum Heads had responded to the challenge of providing more robust information to inform curriculum planning; this had been mixed. It was noted that some staff had been surprised by some competitor activity including the planned opening of a 16-18 centre in Dewsbury in June 2018;

(iii)   some of the completed recommendations (actions).

6   Risk Management, Control and Governance

This minute is confidential as it contains commercially sensitive information.

7   Internal Audit Reports

(i)   Higher Education Growth and Delivery Strategy

This minute is confidential as it contains commercially sensitive information.

(ii)   Curriculum Delivery Model

7.3   ICCA-ETS reported the following points:

(i)   the design controls were considered 'adequate', their application 'adequate', which combined to give an overall assurance of 'reasonable';

(ii)   one high priority and two medium priority recommendations were made;

(iii)   the high priority recommendation relating to the review and evaluation of the curriculum delivery model incorporated eight individual recommendations including: (a) analysing the proportion of students progressing internally to inform a strategy to raise the profile of internal progression and to inform improvement planning; (b) investigating the quality of courses and the quality of information, advice and guidance where internal progression was below expectation or the College average and using the outcomes to inform self-assessment and quality improvement planning; and (c) integrating a formal review of early leavers into the review of the curriculum planning process and using the outcome to inform self-assessment and quality improvement planning;

(iv)   a medium priority recommendation on the curriculum strategy incorporated three individual recommendations: (a) amending the Strategic Planning Schedule to include the steps which are taken post enrolment in the autumn term to review the previous year's recruitment plan and the achievement of curriculum efficiencies; (b) incorporating into the curriculum planning review a summary by Curriculum Heads of any new and innovative curriculum which was introduced in the previous year and details of any new staffing models; (c) using the outcome of the curriculum planning review to inform the Curriculum Planning Rules and include more guidance on financial feasibility modelling. All three individual recommendations were accepted;

(v)   a medium priority recommendation on curriculum efficiency, comprising seven individual recommendations. It was reported that the majority of curriculum areas were not achieving the targets set for contribution to overheads and in some curriculum areas staffing costs were high compared to turnover. It was also noted that the utilisation of English and Maths staff was below target. Four of these recommendations related to existing practice; all were accepted.

7.4   Governors considered the following issues:

(i)   that no explicit response had been provided to a number of individual recommendations within the high priority recommendation relating to the review and evaluation of the curriculum delivery model. These would be followed up by ICCA-ETS;

(ii)   the utilisation of English and Maths staff. It was noted that, in this respect, the College was balancing quality of teaching versus cost. It was also noted that the College had decided to stream classes to give students a better experience, which would hopefully lead to better success rates;

(iii)   the College was also looking at its alternative curriculum approach for 2018/19 (functional skills), and the College would need to be able to robustly justify any decisions that it made;

(iv)   some turnover of English and Maths staff was considered likely as issues had been identified with the quality of some teaching.

8   Review of Effectiveness of Meeting and Identification of Emerging Risks

8.1   Identified emerging risks included:

(i)   competition for students from the new Kirklees College centres in Dewsbury;
(ii)   due diligence and VAT issues associated with sub-contracting.

8.2   It was noted that this would be Andrew Watts' last meeting of the Audit Committee as he would be leaving the College in early June. Andrew was thanked for his contribution to the Committee over the past two and a half years.

9   Date of Next Meeting

9.1   The date of the next scheduled meeting is Tuesday, 26 June 2018 at 5.30pm.

9.2   The timing of the tender process for the provision of audit services was briefly discussed. It was proposed to time interviews for immediately prior to the Audit Committee meeting on Tuesday 26 June.

Signed…………………………….…………… Date…………….....