



ST MARY'S COLLEGE BOARD OF GOVERNORS

Minutes of the Meeting of the Audit Committee Held On Wednesday 27th MARCH 2019

Present: Mr M.Conboy (Chair 18/19)
Mr C. Beesley (Foundation Governor)
Mr M. Vizzard (Foundation Governor)

In attendance: Mrs K Hollern (Business Manager)
Mrs L Farnhill (Clerk)

Apologies: Fthr N. Wynn (Foundation Governor)

Open and Welcome

The Committee Chair, Mark Conboy (MC) confirmed that the meeting would consider, review and approve agenda items which had been discussed in detail with auditors, the finance team and the Principal/CEO at an informal meeting which had taken place on 7th March when there were insufficient Audit Committee members to hold a formal meeting of the Audit Committee.

Minutes of the informal meeting were circulated to all members with the meeting papers and reports, giving members the opportunity to reflect on the information and advice provided by the Auditors and Staff. MC asked members to consider this information alongside reports for each agenda item.

Item 1 – Apologies:

Apologies were noted and accepted.

Item 2 – Declaration of interests:

None were received

Item 3 – Minutes of the Audit Committee meeting held on 14th November 2018:

The Chair confirmed that at the informal meeting, members and attendees reviewed the draft minutes where attendees concluded they were an accurate reflection of the discussions held in November. It was clarified that these had been seen as part of the full Governing Board Pack in January and no queries had been raised. The committee agreed that they were an accurate record and they were approved and signed.

Item 3 – Resolved: - The minutes were approved and signed as an accurate record of the meeting of the Audit Committee held on 14th November 2018

Item 4 – Matters arising:

The chair advised members that these had been discussed in detail with the internal and external auditors and conversations were summarised

Item 4.1 - Appointment of the Vice chair – the Chair advised that in line with conversations with the Auditors, it would be unreasonable to expect new members to take on additional responsibility. KH reminded members that the Auditors were available for advice and support and were in attendance at key meetings and there was not an expectation for members to be experts, but needed to hold reasonable knowledge of relevant issues. MC advised that for the foreseeable future he was available. It was decided to keep this as a rolling item for the time being.

Item 4.1 - Deferred

Action – carry forward the appointment of the Vice Chair

Item 4.2 –Clarity items raised within the Audit have been addressed –

Clarification that points raised by the external audit are addressed- relevant policies are in place (whistle blowing). ML had confirmed in the informal meeting that this was in hand and policies were to be presented to Board for approval. KH provided clarity around the financial regulations issue, advising that they had been updated the year before but had not been approved by the Board so could not be accepted. These were to be drafted and presented to the Board for approval in May.

Item 4.2 – Resolved – that the items will be presented to the Board for approval in May

Action – To be followed up in June

It was noted that the remaining matters are covered elsewhere in the agenda:

4.3 - GDPR report – see item 5

4.4 - Risk register report– see item 6

4.5 - Updated internal audit plan to include marketing see item 7

4.6 - 360-degree review of the effectiveness of the committee to replace the SAR – see item 9

Item 5 – GDPR

Committee Chair, MC advised that ML had given a comprehensive account of the current position, providing assurance through the CMC internal audit showing no issues and SMC using the same processes. MC advised of additional information requested within the report to include number of requests, new requests and time taken to respond. The Committee approved these alterations. MC highlighted the discussions from the informal audit meeting, advising the committee that there had been an issue regarding a duplicate request for information around religion with a resolution reached at the meeting, further questions from members regarding how many students declared that they held no religion could not be answered, therefore this information would be obtained and fed back at the next meeting.

MC advised the committee that he had nominated himself for the position of Lead Governor for GDPR, there were no objections. MC advised that GDPR training would be available to all governors upon their consent to email addresses being shared with the training provider and that he would undertake the enhanced (management level) training. **In response to a governor question** MC advised the committee that the role of DPO was to be addressed in light of ML having left. **A further question was asked** regarding ongoing and new requests which would normally go to the DPO, KH advised that Paul Holmes was managing this as an interim measure. **A further question** proposed whether details of the DPO should be on the website. This was unclear and an action taken to clarify and rectify if necessary. KH advised that the IA had been in during the day and had suggested a piece of work to review SMC GDPR procedures however it was felt that this should be postponed until a new DPO was appointed.

Item 5 Resolved: That the details of the report are noted with the below actions to be undertaken.

Actions –

- i) make the necessary amendments to application forms to remove a duplicate request for information regarding religion
- ii) report the number of students declaring 'no religion' to be to Audit Committee meeting in June
- iii) GDPR report to include additional information:

- Total requests
 - Progress on requests
 - No. new requests since last meeting
 - Time frame of response
- iv) Ask governors to consent to sharing of email addresses in order to complete GDPR training
- v) Advise committee of new DPO
- vi) Clarify if DPO details are on the website (and if they need to be)
- vii) Incorporate GDPR into the IA schedule in the longer term plan

Item 6 – Risk Register

MC gave an overview of the lengthy discussion that had taken place with the auditors and highlighted key points from the minutes (already distributed to members). He reiterated the auditors advise to the committee which was to ensure they were happy with the level of risks once measures were in place to reduce them, noting the key issues and risks had been in relation to student numbers and Ofsted. KH advised the committee that a review of the internal audit schedule including the re-writing of the risk register had been postponed due to the Ofsted inspection. Attention was drawn to issues coded as red, including the secure long term viability, reputational damage relating to historic safeguarding allegations, the loan and student recruitment. **In response to a governor question** KH confirmed that SMC is still under a financial notice to improve, advising that to come out and go back in would look worse than staying in until the viability is secure, although no clarity from the ESFA as to when it will be removed, it is not expected to be before completing the financial year. KH confirmed that the ESFA dashboard was based on old information. Committee Chair, MC advised that the ILR data issue had been thoroughly addressed by JS with supportive advice from the auditors. MC confirmed that attendees at the meeting had been assured that issues had been identified and addressed with relevant remedial actions and subsequent investigations ongoing. KH highlighted actions undertaken to address the issues identified and confirmed that the IA meeting today had looked at the issues and timescales, with the schedule revisited to take account of remedial work required prior to further audit work being undertaken and would entail one larger piece of work rather than 3 separate audits which all looked at the same data.

Item 6 - Resolved: Governors noted the information presented within the risk register

Actions

- i) ILR data error - investigation outcome to committee in June
- ii) Repeat of the IA of MIS to be completed in June
- iii) HE ILR data to be checked for inaccuracies

Item 7 – Updated Internal Audit Plan

MC advised the committee that the informal meeting had seen thorough discussions around combining smaller pieces of work which reviewed the same data into a larger piece of work. KH advised that the plan had not been formally updated prior to ML leaving, however there had been a meeting between herself and TIAA, and KH confirmed the proposed schedule of work was in line with those discussions; Health and Safety and Payroll and Payments would go ahead as stand-alone work, all others would be combined into a larger piece of work to be completed by July. **A governor commented on** the importance and value in the IA function. KH agreed that now it was no longer compulsory, giving more control meant that it was a supportive consultancy service rather than a 'fault finding' exercise. **A governor commented on** the importance of being able to tailor IA to provide assurance to the Board on areas not covered by the EA.

Item 7 – Resolved: Governors noted the verbal update of the internal audit plan

Action:

- i) updated internal audit plan for 18/19 and 5 year plan to be submitted to the committee in June
- ii) all available IA reports from completed works to be shared with the committee in June

Item 8 – Update on the Financial Position

MC advised the committee that details had been fully reviewed with JS, finance staff and the auditors at the informal meeting. KH clarified that finances were tight and that she had taken up SB from LHU on her offer of support in reviewing the financial plan.

Item 8 – Resolved: Committee members noted details of the report and verbal update

Item 9 – SAR of the Audit Committee

MC detailed the discussions held in the informal meeting, clarifying that with inconsistent membership, self-assessment had been impractical and a 360 review was to be completed as an alternative. Results had been sparse and therefore this would be carried forward as an action to be completed and results reviewed in June. The clerk advised that the report had been completed reviewing actions against the TOR and delegated authority, with concerns over membership as the key issue. Consideration was given to the appointment of an external co-opted member being appointed to the committee.

Item 9 - Deferred: 360 degree review results to be reviewed in June

Actions:

- i) Clerk to re-issue the form for attendees to complete
- ii) Clerk to update governor marketing materials to appeal for a co-opted committee member

Item 10 – Documentation for review

Committee Chair, MC advised the committee that considerable time had been spent reviewing the documentation with the auditors. MC advised that GH had provided considerable clarity around the insolvency regime and FRS17 requirements and at the request of JS, would be providing training to all governors on this area at a forthcoming governors meeting. GH had assured the members and attendees at the informal meeting that their understanding was correct and reporting was compliant despite concerns raised during the FE commissioner's stocktake. KH added that SMC has no control or influence over the figures which varies significantly, with implications and risks associated with trying to 'second guess' the figure which is only adjusted once annually. JS had offered to provide clarity around the insolvency documentation however this was delayed due to the CMC Ofsted inspection.

Item 10 – Resolved: Committee members noted the information within the documentation

Action: further clarity can be provided by JS if governors feel the SFCA and DfE information is unclear regarding the insolvency regime

AOB

No further items of business were raised for discussion.

Governors were reminded of the forthcoming meeting date: 19th June at 9.15am.

The meeting closed at 5.20pm