

QUEEN ELIZABETH SIXTH FORM COLLEGE

Minutes of the meeting of the Audit Committee held on Monday 3rd June 2019

Present: Mr A Teague, Chair
Mr I Clyde
Mr J Deane

In attendance: Mr T Fisher, Principal
Mr S Hargrove, Chief Financial Officer
Mr S Hogg, Wylie & Bisset, External Auditor
Mr D Long, Haines Watts, Internal Auditor
Mr S Dowson, Clerk

01/19 Introductions and welcome

The Chair welcomed Mr Hogg and Mr Long and those present introduced themselves in turn.

02/19 Declarations of interest

There were no declarations of interest.

03/19 Minutes of the previous meeting

The minutes of the meeting held on Thursday 8th November 2018 were **agreed** and **approved** for signing by the Chair.

04/19 Matters Arising

Minute 16/18. Mr Clyde asked if the Government had agreed to fund the increase in employer's contributions to the teachers' pension scheme.

Mr Hargrove replied that funding had been agreed for a further year but it was not yet known what would happen beyond July 2020.

The Clerk informed the meeting that both the Sixth Form College Association and the Association of Colleges thought that responses to the public consultation had had a positive impact on the Government's decision to continue to fund the increase for a further year. The Clerk wished to thank all those who had completed the consultation in response to the email the Clerk had sent to the Darlington School Governors network.

05/19 External Audit Planning

Mr Hogg explained that he had taken over responsibility for the Audit from Mrs Ogston who had left Wylie and Bisset.

Mr Hogg said that having reviewed the file and the audit work done to date his overall message to the Audit Committee was that he did not consider there was any significant risk.

The Chair asked Mr Hogg about levels of, 'materiality' shown in the Risk Matrix table.

Mr Hogg replied that levels of materiality had not been established because the audit had not yet reviewed a full 12 months of accounts. Mr Hogg explained that as a practice, Wylie and Bisset did not usually explain to the college management how materiality was arrived at. They would, of course, disclose how materiality was calculated to the Audit Committee and the Governing Body. The level of materiality could vary considerably between headings. For example cash in the bank could be a relatively high number because the bank could always confirm the figures whereas a much lower amount would be appropriate for related party transactions.

In reply to a question about the levels of risk shown on the Risk Matrix Mr Hogg explained that the Risk Matrix in the meeting papers was not the final document. Appropriate levels of risk would be entered into the table once all audit field work had been completed.

Mr Hargrove confirmed that the Audit and Reporting timetable is aligned to and fits in with the agreed timetable of College subcommittee and Board meetings.

The Committee **approved** the **Audit Planning Memorandum** for the financial year ended 31 July 2019.

06/19 Internal Auditor's report

Mr David Long, Haines Watts, said that the Internal Auditors had gained substantial assurance from the three areas that had been audited so far.

Work Experience

There were two Green audit findings/recommendations

- A centralised location is established for all documentation relating to work placements
- The College should explore adding a shortcut or flag within the Voyager student records system to easily identify those students who have planned or completed a work placement

Health and Safety

There were six Green audit findings/recommendations. Mr Long said that normally six findings would be enough to create an amber finding but the findings were mostly of a minor nature and not of any real concern.

- The process of transferring the risk assessments to the new format should be completed as soon as possible, confirming that all assessments are accounted for and held centrally
- A record is made confirming that the chemical risk assessment and associated safeguards have been reviewed prior to the conduct of experiments; this could be recorded separately or maybe incorporated within the lesson plan
- Checks of first aid boxes are added to the quarterly checklist of tasks to be completed and stocks suitably replenished as necessary

- The College confirm that all staff are fully trained and up to date with their first aid qualifications; any staff whose qualifications have expired should be removed from the first aid list
- The minibus is regularly checked, ideally monthly, in a more thorough and documented manner including visual inspection of tyres, wipers, lights, oil and other fluid levels etc.
- The College should consider whether it needs to retain information relating to trips beyond the trips successful completion or the academic year to which it related

Mr Hargrove confirmed that staff first aid training was up to date, it was only the list that had not been updated.

Mr Clyde kindly offered to provide sample vehicle checklists for consideration.

Quality management

There were no formal recommendations arising from the areas subject to review.

Mr Long suggested that unannounced lesson observations might replace the current system of pre-planned observations. Mr Fisher replied that the current system was based on the Ofsted experience but the College was in the process of replacing it with Subject Quality Reviews, which give a fuller picture of performance when combined with learning walks.

07/19 Progress on outstanding audit recommendations

There was only one outstanding audit recommendation relating to payroll exception reports.

Mr Hargrove explained that Durham County Council, who manage the payroll, were still unable to provide a monthly exception report in respect of changes to employee standing data. The College is currently looking at alternative payroll providers.

08/19 Risk Management

Mr Hargrove said that the Risk Register had been reviewed and updated before half term.

Mr Hargrove went through each of the risks in turn.

F1 Student numbers

Predicting future student numbers continues to be difficult. The College needs to continue to revise and modify all means of attracting more students

F2 Funding cuts and increased costs

All colleges are in the same situation. QE continues to search for alternative forms of income and to maintain robust budget control systems.

H1 Disaster [for example fire] planning

Mr Hargrove said that risks relating to disaster and subsequent business interruption had been mitigated and H1 would now be removed from the published Risk Register.

Mr Clyde asked what partnership arrangements for sharing facilities in the case of a disaster were in place. Mr Fisher replied that there were no formal partnership arrangements. Mr Clyde offered to share his recent experience and methodology in business interruption planning.

H2 Failure of IT systems

Mr Hargrove explained that the GDPR review had been completed and had not revealed anything unexpected of an IT system of the size and age of the one at QE. An IT infrastructure review and a penetration test have been carried out by an independent consultant. The actions from these reviews will be implemented by September 2019.

H3 Failure to ensure the safety of students and staff

Students will participate in online modules about, Prevent, Safeguarding and staying safe online delivered by ETF

P1 Teaching methods do not develop in pace with external changes

Staff development about the new Ofsted inspection framework including approaches to teaching, learning and assessment and curriculum development will be delivered in July 2019

P2 Decline in teaching standards

New ways of monitoring teaching performance that are aligned with appraisals are being reviewed.

P3 Decline in student progress

A new exam strategy aims to optimise outcomes for students. The College will ensure the progress students have made is accurately reflected in publicly available data.

Mr Fisher explained that some historical data errors had been found in the publicly available information which continue to impact on the College's reported qualification and achievement data (QAR). The College is working with the ESFA to ensure previous errors are corrected and future data is reported correctly.

R1 Failure of leadership and management

Mitigated, to be removed from publicly available risk register

R2 Negative effect of Government Policy

Mitigation ongoing, no change from previous risk register.

The Committee **approved** the Risk Register

09/19 Any other business

Mr Clyde asked if the Board had created a, 'risk exposure profile' as required by the recently issued Further education and sixth-form college corporations: governance guide. (Page 33)

The Committee thought it would be difficult to measure and/or quantify many of the risks, particularly in monetary terms.

The Clerk said he would examine the new Insolvency Regime to see if any trigger points at which a college should seek advice and assistance from ESFA had been defined in clear financial terms.

10/19 Confidentiality

There were no confidential matters

11/19 Date of next meeting

14th November 2019