

THE TRAFFORD COLLEGE GROUP

**Minutes of the Audit Committee Meeting  
Held at 6.00pm on Thursday 30 April 2020 via Microsoft Teams**

<b>Present:</b>	Jed Hassid Tony Healy Ian Duncan Brian Bradley Dawn Cole	(Chairperson)
<b>In Attendance:</b>	Barry Watson Andrea Bennett Michael Frankish Hamid Ghafoor Natalie Hinchcliffe James Scott Jerome Wittersheim Naomi Harrop Anthony Gribben-Lisle Michelle Leslie	(Corporation Secretary) (Director of Finance & Strategy) (Grant Thornton) (BDO) (BDO) (Vice Principal C&Q/ Stockport Principal) (Interim Director of MIS) (Director of HR) (Data Protection Officer) (Vice Principal Corporate Services & Planning)

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**AUD/01/20 Apologies for Absence**

The Corporation Secretary (CS) reported that no apologies for absence had been received.

**AUD/02/20 Declarations of Direct or Indirect Interest in any of the Meeting's Business Items**

There were no declarations of either direct or indirect interest in any of the meetings business items.

**AUD/03/20 Minutes of the Meeting held on 16 December 2019**

The minutes of the meeting were approved and accepted as a correct account of the meeting's proceedings other than the CS verify the location of the meeting.

**Action: Corporation Secretary**

**AUD/04/20 Matters Arising from the Minutes**

The Chairperson confirmed that in his view, there were no matters arising from the minutes that were not covered by the meetings business items.

There were no other matters raised by members arising from the minutes.

**AUD/05/20 Data Protection Update**

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The Data Protection Officer (DPO) presented a report which provided members with an overview of the latest position with regard to Data Protection and its effectiveness across the Group's operations.

The DPO advised that the report would be submitted to every meeting of the Audit Committee with an annual report being presented to the Board of the Corporation at the end of the Academic Year.

The report covered the following issues:

- Revised Management arrangements. The DPO advised in detail of the revised management arrangements that had been put in place since the last meeting and how a smaller more technical group were reporting to the Information Governance Group on Data Protection issues.
- Merger update. The DPO also advised around the actions that had been taken in respect of the Data Protection Strand for the proposed merger with Cheadle and Marple Sixth Form College (CAMSFC). The report provided members with a copy of the project plan for the strand. A member asked about liaison with those undertaking the Legal Due Diligence in respect of sensitive Data Protection matters. The DPO advised that both organisations had signed a data sharing agreement and the Vice Principal Corporate Services and Planning advised that Eversheds Sutherland had been appointed to undertake the due diligence and commented on the discussions that had and would take place in respect of the issues raised by the member.
- Training. It was noted that plans were in place to deliver the Data Protection Training remotely for those members of staff who had as yet not completed the training due to lockdown.
- Subject access requests and data impact assessments. The DPO advised on the current position and progress with regard to both matters which was duly noted by members.
- Data Breaches. The DPO advised that since his last report there had been 2 data breaches that had been reported to the Data Protection Team and provided members with a copy of the updated Data Breach log. It was noted that both breaches had been assessed as low risk and had not therefore been reported to the Information Commissioner.

There were no further issues raised from members arising from the report and it was resolved that it be noted.

## AUD/06/20

### Education Skills Funding Agency – External Funding Audit

The Interim Director of MIS (IDMS) presented a report which included a copy of the report which had been received from the Education Skills Funding Agency (ESFA) following their audit review of ESFA funded provision for 2018/2019.

The report also identified the scope of the audit review.

The IDMS advised that the main issues arising from the report were as follows:

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- There were no significant issues raised concerning 16-19 programmes.
- The auditors had identified 12 recommendations which were all relatively minor and were concerned with more regular ILR checks. It was further advised that all the recommendations had been actioned or were on going and that there were no significant issues going forward.
- The impact on funding adjustments was very limited with the only impact being a £4,863 adjustment for Apprenticeship provision.

A member asked if there were any comparators of performance that could be made with other FE Colleges? The IDMIS advised that he was not aware of any but in the audits that he had been involved with a number had had significant claw back in funding. A member commented that this was a very good outcome in financial terms.

There were no further issues raised by members and they congratulated the IDMIS and his staff for the work that had been undertaken to ensure such a pleasing audit outcome.

It was resolved that the report be noted.

**AUD/07/20 Internal Audit Progress Report 2019/2020**

The Internal auditors (IA) presented a report which advised the Committee on the performance to date against the Internal Audit Plan for 2019/2020.

The IA advised that the Safeguarding Audit had been added at the request of management and also updated the Committee on the progress to date concerning the agreed audits and changes to the original plan.

The Committee had a discussion concerning delivering this year's plan given the impact of Covid-19 and the DFS advised that she had agreed with IA that the audits that could be delivered remotely would be undertaken.

In discussion it was advised that the audits for which no date had been scheduled would be carried over to next year and presented to the Committee as part of next year's plan.

**Action: BDO.**

The report also provided members with a summary of the outcomes for the audits that had been completed together with an update on Audit performance.

There were no further issues raised by members arising from the report and it was resolved that it be noted.

**AUD/08/20 Internal Audit Reports 2019/2020 - Visit 2**

The Committee received a number of Internal Audit reports as follows:

- The IA presented their report arising from their review that had been undertaken in order to provide assurance that appropriate

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arrangements were in place and operating effectively in relation to **absence management due to sickness**.

The IA commented that the audit had been very positive with one main finding relating to adherence to procedure and advised that it was the auditors' opinion that the Group displayed some areas of strong control, but that there were areas for improvement and that, as a result of the testing, they had provided the Board of the Corporation with **Substantial Assurance** for the design of controls and **Moderate Assurance** in relation to the operational effectiveness in place.

It was noted that there was **one medium** recommendation arising from the report which had been agreed and implemented by management.

A member commented about his surprise around the moderate rating given that only one recommendation was made and commented that he would have thought a substantial assurance would be more representative of the finding. The IA advised of the reasons relating to the assurance rating to the member's satisfaction.

The Director of HR provided the Committee with an update on the progress that had been made against the recommendation and that she was reviewing whether self-certification may be needed anymore and it maybe therefore redundant.

There were no further issues raised by members arising from the report and it was resolved that it be recommended to the Board of the Corporation for approval.

### Action: Board of the Corporation

- The IA presented their report arising from their review that had been undertaken in order to provide assurance that appropriate arrangements were in place and operating effectively in relation to **Safeguarding**.

The IA commented that the audit had been undertaken at the request of management due to the impending and expected visit of Ofsted which had not now materialised due to Covid19.

The IA advised that the audit had evidenced lot of good practice and that processes were very well embedded at the Group and that as a result of the testing, they had provided the Board of the Corporation with **Moderate Assurance** for the design of controls and **Limited Assurance** in relation to the operational effectiveness in place.

The IA further advised that the opinions were largely impacted on in relation to Safeguarding Training due to its limited effectiveness. It was advised that there had been **1 high and 3 medium** recommendations arising from the review which had been agreed with management.

The DHR advised that the management responses had been updated and that the main activities related to IT activity monitoring and the recording of cases.

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A member commented on what appeared to be a high level of non-compliance with regard to training and asked why this was the case. The DHR advised of the actions that had been taken to ensure greater compliance going forward and explained that the numbers often reflected staff who were on very low hours and flexible contracts who were harder to ensure compliance with. The DHR advised of the actions that had been taken to address this issue.

There were no further issues raised by members arising from the report and after due discussion and consideration it was resolved that it be recommended to the Board of the Corporation for approval.

**Action: Board of the Corporation**

- The IA presented their report arising from their review that had been undertaken in order to provide assurance that appropriate arrangements were in place and operating effectively in relation to **Additional Learner Support**.

The Chairperson commented that as he had only just received this report and had not had the opportunity to review it he did not feel that it was appropriate to consider it at the meeting. The IA gave a brief overview from the report which had been instigated as a management request and that there had been the identification of a significant under funding claims arising from the audit. The Director of Finance and Strategy (DFS) explained the circumstances surrounding the matter and the Vice Principal Curriculum and Quality / Stockport Principal outlined the actions that had been taken to address the issue.

Having received the overview and considered the main issue arising the Committee were of the view that it should be considered in detail at the next Committee meeting.

**Action: Corporation Secretary****AUD/09/20****Board Assurance and Risk Management Framework 2019/202 – Update April 2020**

The DFS presented a report which provided the Committee with an update regarding the Board Assurance and Risk Management Framework.

The report also included a copy of the Heat Map which visual represented the RAG Rated detailed framework.

The DFS advised that the Risk Management Group had met recently and provided the Committee with details of the Risks that had had a change in score arising from the review. The DFS provided the Committee with an overview of the main changes and in particular the areas where the risks had increased which included the Capital Project and Financial Sustainability which were risks that needed escalating to the Board of the Corporation.

With regard to the risks relating to Covid-19 and its impact on the Group the DFS advised that these were being considered by the Executive Leadership Team on a daily basis and were subject to continuous change.

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It was advised that the Principal would be reporting directly to the Board of the Corporation with regard to Covid-19. The report provided the Committee with a copy of the Group's Covid Risk log.

A member asked about the current position and risk relating to the Bank covenants. The DFS advised that she was having regular meetings with the Bank and had asked the Bank to re-look at the current covenants based on the modelling of various financial scenarios. It was further advised that the outcomes relating to this were being reported through the Resources Committee to the Board of the Corporation.

A member referred to an incorrect Rag Rating colouring on the Covid Risk Log which the DFS undertook to change.

**Action: Director of Finance and Strategy**

There were no further issues raised by members arising from the report and after due discussion it was resolved that Risk 12 and 14 be escalated to the Board of the Corporation as detailed in the report.

**Action: Director of Finance and Strategy****AUD/10/20 Merger Risk Register (Transition Board) April 2020**

The CS presented the Committee with a copy of the Merger Risk Register which had recently been considered by the Transition Board.

It was noted that the Risk Register was for information and there being no matters raised by members arising from the register it was resolved that it be noted.

**AUD/11/20 Annual Certificate of Expenditure 2018/2019- Restructuring Facility Grant**

The DFS presented a report which provided the Committee with a copy of the Independent Assurance report relating to the Group's Annual Certificate of Expenditure for 2018/2019 in relation to the Restructuring Facility Grant Claim.

It was advised that the auditors had confirmed that the total grant funding claim was £5,946,051 and that the independent assurance report had been issued to the Transaction Unit in line with the funding agreement.

There were no issues raised by members arising from the report and after due consideration it was resolved that it be noted.

**AUD/12/20 Any Other Business**

There were no matters raised under any other business.

**AUD/13/20 Date of Next Meeting**

The CS advised that due to delay in this meeting due to the impact of lockdown the next scheduled meeting was 10 June 2020 which was only 6 weeks from the current meeting.

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It was therefore suggested that the next Committee meeting be rescheduled to 6.00pm on Thursday 2 July which was duly agreed by the Committee.

**Action: Corporation Secretary**

The meeting closed at 7.00pm.

The Data Protection Officer left the meeting after the consideration of agenda item 5.

The Director of HR left the meeting after the Consideration of Agenda item 9.