

THE TRAFFORD COLLEGE GROUP

**Minutes of the Audit Committee Meeting
held at 6.00 pm on Tuesday 26 March 2019
in the Boardroom at the Altrincham Centre**

Present:	Jed Hassid Dawn Cole Brian Bradley	(Chairperson)
In Attendance:	Barry Watson Andrea Bennett Michelle Leslie Jenny Elgar Natalie Jackson	(Corporation Secretary) (Director of Finance & Strategy) (Vice Principal Corporate Services and Planning) (Grant Thornton) (BDO)

Minute No

Prior to the commencement of the meeting the Chairperson welcomed JA from Grant Thornton to her first Committee meeting.

GAUD/06/19 Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from Maureen Wilkins.

GAUD/07/19 Declarations of Direct or Indirect Interest in any of the Meeting's Business Items

There were no other declarations of direct or indirect Interest in any of the meeting's business items.

GAUD/08/19 Minutes of the Audit Committee Meeting held on 27 November 2018

The minutes of the meeting were approved and accepted as a correct account of the meetings proceedings.

GAUD/09/19 Matters Arising from the Minutes

There were no matters arising from the minutes.

GAUD/10/19 Recommended Change to Internal Audit Plan

The Director of Finance and Strategy (DFS) presented a report, which detailed a number of proposed changes to the Internal Audit Plan for 2018/2019.

The DFS outlined the reasons for the proposed changes, which was due to the merger of the Stockport and Trafford Colleges MIS systems and the need to secure assurance that all issues relating to the merger of the two systems had been resolved and that there were no further areas of risk.

The report identified the impact on the current plan as follows:

- Adult Education Budget (AEB) to be re-focused to include all learner records, not just AEB.
- Income Management – to cover monthly income reporting, monthly ILR submissions and returns.
- Capital Projects Audit to be relocated to the 2019/2020 plan to enable audit of key MIS processes.

Minute No

There were no issues raised by members relating to the proposed changes to the Internal Audit plan 2018/2019 and it was unanimously resolved that the revised plan be approved.

Action: Director of Strategy/ Internal Auditors

GAUD/11/19**Internal Audit Progress Report 2018/2019 – March 2019**

The Internal Auditor (IA) presented a report, which informed the Committee of the progress that had been made in respect of the Internal Audit Plan for 2018/2019.

The IA advised that work was progressing as planned and that the auditors had been supporting the Group with work in relation to Risk management in addition to the agreed audit activities.

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

GAUD/12/19**Internal Audit Report – Visit 1 2018/2019**

The Internal Auditors 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 Health & Safety at the Group.

The IA commented that the audit had been very positive and the Group had a strong framework in place in respect of Health & Safety. The Auditor also outlined the up to date position in respect of external accreditation for ISO 14001 and 18001.

The IA in her report identified the areas of good practice which included:

- Effective oversight of all sites, key health and safety policies had been reviewed and applied across the Group and the same system to manage Health and Safety was used across the Group.
- There was a proactive stance to identify and address Health and Safety issues and self-assessments were used to assess compliance across the Group.
- Accidents and incidents were appropriately tracked.
- Appropriate controls were in place for PAT testing, fire drills and legionella ensuring that appropriate evidence and records of actions taken to ensure legal compliance.
- Sufficient information is produced and reported on a timely basis to both Health and Safety Committee and the Board of the Corporation in respect of the performance of Health & Safety.

In addition the IA advised the Committee that there were areas, identified during the review, where performance could be improved which included:

- Documented Health and Safety Processes.
- Trip Risk Assessments.
- Health and Safety Training. With regard to this matter, a member asked why 31 staff had not received the induction training. The Vice Principal Corporate Services and Planning (VPCSP) advised that the backlog had been a result of the merger and that the HR Department were now monitoring the arrangements to ensure a more robust process was in place. It was noted that the backlog would be cleared by the end of the Academic Year.

Action: HR Department

Minute No

- Fire Alarm Testing.

With regard to the 4 recommendations for improvement (3 medium, 1 low risk rating) it was noted that all the recommendations had been agreed with management including dates for implementation.

In discussion, a member asked about Health and Safety arrangements that were in place for off-site personnel particularly in respect of the redevelopment work at Stockport College. The VPCSP provided the member with a detailed account of the processes that are undertaken in this respect to the member's satisfaction.

It was noted that it was the auditor's 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 **Moderate Assurance** for both the design and operation of the control framework in place.

After due discussion and consideration it was resolved that the report be recommended to the Board of the corporation for approval.

Action: Board of the Corporation**GAUD/13/19****Board Assurance and Risk Management Framework 2018/2021**

The Director of Finance and Strategy (DFS) presented a report which updated the Committee in respect of the revised proposals for the Board Assurance and Risk Management Framework for the period 2018/2021.

The report also included a copy of the Board Assurance and Risk Management Policy for the same period, which had been amended to reflect the proposed changes to the risk and assurance reporting structure.

In presenting the report, the DFS identified the changes that were being proposed which, built on the previous framework, and sought to address the Governor's request for a simplified procedure. To this end the DFS covered the following matters:

- Risk reporting processes.
- Board Assurance Framework Heat Map.
- Risk Assurance Framework.
- Departmental Heat Map and Risk Log.
- Board Assurance and Risk Management Policy 2018/2021.
- Review of Risk Assurance Framework 2018/2019.

Members raised a number of issues arising from the report and revised proposals as follows:

- Given the differing balances of risk between Stockport and Trafford College how would this be accounted for? The DFS advised that the Risk processes were now for the Group as a whole and would be managed as such. The DFS further explained how the revised bottom up risk process would identify risks from all aspects of the Groups provision across all 3 sites.
- How had the recommended risk appetite been defined? The DFS advised of the work that had been undertaken with the Auditors and the Leadership team in respect of the recently held risk workshop and that the Risk appetite was one of the matters considered and agreed upon through the workshop. In discussing this matter, the DFS explained how the Risk Appetite scores had been determined and the change to a numeric risk appetite score.

Minute No

- A member commented that the revised reporting structure was really clear and added to the previous arrangements and asked about the Curricular Heat Maps. The DFS explained how the curricular heat maps would be calculated and it was noted that they would be presented to the Risk Management Group as part of the revised process.
- The Chairperson asked the IA from her experience how the revised processes compared to other FE Colleges. The IA advised that the processes had been simplified as previously discussed and that the work undertaken in respect of the operational risks was probably ahead of were other Colleges are currently placed.
- A member commented that it would be helpful if the source of assurance (Internal / External) was added to the Risk Assurance, Framework and the DFS undertook to include this in future reports. In discussion the DFS advised that she would update the Board Assurance Risk Management Annual Cycle to reflect the correct period in the Policy.

Action: Director of Finance & Strategy

- A member commented that there appeared to be a lot of Green RAG rated risks and was that the reality of the situation. The DFS advised that many new controls had been added and that the outcomes were as detailed through the risk management process.
- The Committee had a general discussion around assurance measures and actions that could be taken to improve assurances to the Board.

There were no further issues raised by members arising from the report and after due discussion and consideration it was unanimously resolved that;

- The revised risk reporting procedure as detailed in the report be approved.
- The Risk Assurance Framework be approved subject to the agreed changes being implemented.
- The Board Assurance Framework and Risk Management Policy 2018/2021 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**GAUD/14/19****Annual Value for Money Report 2017/2018**

The Director of Finance and Strategy (DFS) presented a report which provided members with the Annual for Money report which illustrated the Group's performance with regard to non- pay expenditure in relation to other General FE Colleges for 2017/2018.

The DFS commented that the report was in the format that had previously been presented to the Committee but that in her view it needed further development work to provide the Committee with a more informed picture.

The Committee discussed this in detail and concurred with the DFS view with a view to making amendments and updating the report for 2019/2020.

In discussion, it was agreed that the DFS would undertake some preliminary work with regard to measures which could be considered by the Committee at its next meeting.

Action: Director of Finance and Strategy

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

Minute No**GAUD/15/19 Annual Certificate of Expenditure- Restructuring Facility Grant**

The DFS presented a report, which provided the Committee with assurance in respect of the Restructuring Grant claim for 2017/2018. The report also provided members with a copy of the Independent Assurance Report, which had been undertaken by Grant Thornton.

The Committee was pleased to note that it was the Auditor's opinion that, based on their work described in the report, nothing had come to their attention that caused them to believe that the Grant Claim had not been prepared, in all material respects, in accordance with the agreed criteria.

The Committee welcomed the findings from the Independent Auditors and after due discussion and consideration resolved that the Assurance Report be brought to the attention of the Board of the Corporation.

Action: Corporation Secretary

GAUD/16/19 Anti-Fraud, Theft, Bribery and Corruption Policy

The DFS presented a report, which provided members with a copy of the updated Anti- Fraud, Theft, Bribery and Corruption Policy. The report also provided members with a copy of the Incident Response Plan.

The DFS went through all aspects of the proposed Policy and plan and following her detailed explanation there were no issues raised by members other than a number of minor alterations relation to role titles, which the DFS undertook to amend.

Action: Director of Finance and Strategy

After due discussion and consideration it was unanimously resolved that the Anti-Fraud, Theft, Bribery and Corruption Policy be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

It was also resolved that the Incidence Response Plan be noted.

GAUD/17/19 GDPR Action Plan update

The Corporation Secretary (CS) provided members with a copy of the GDPR Action Plan – April 2019.

The CS also provided members with an overview of the actions that had been undertaken since the last report which included the following:

- The Plan was considered at monthly meetings of the GDPR Steering Group and had been updated to include Governance and Management actions regarding implementing GDPR across the Group.
- Most of the legal compliance issues had been undertaken with the Information Security Policy due to be presented to the Board of the Corporation at its meeting on 25 May 2019.
- 91 % of staff had now completed on- line training in relation to GDPR with the remaining outstanding non-completers being targeted for action.
- GDPR had been embedded in the Groups induction processes and Data Link Coordinator's had been established in every Business Support and Curricular area across the Group.

Minute No

Members raise a number of points arising from the report as follows:

- In terms of progress how does the Group compare to other College's in the sector. The CS advised that there was no hard evidence in relation to this but in his discussions and attendance at Training events he was of the opinion that the Group was comparatively speaking in a good position. In discussing this, the member suggested that it might be helpful to have an internal audit review of progress as part of the internal audit plan going forward.

Action: Director of Finance & Strategy/ Internal Auditors

- Reporting mechanisms to the Board. The CS advised that he would include a copy of the GDPR action plan in the minutes of the Audit Committee, which go to Board. It was also noted that an Annual GDPR Report would be presented to the Board in due course.

Action: Corporation Secretary

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

GAUD/18/19**Any Other Business**

There were no matters raised under any other business.

GAUD/19/19**Date of Next Meeting**

It was agreed that the next meeting would be held at 6.00 pm on Tuesday 18 June 2019 in the Boardroom at the Altrincham Campus.

Action: Corporation Secretary

The meeting closed at 6.54 pm.