

NEW COLLEGE, SWINDON

Minutes of the Audit committee held on Wednesday 20<sup>th</sup> June 2018

Present: Alexey Smirnov (Chair), Dennis Bridges, John Dernie, Sam McCurdy

With: Richard Bott, Carol Davey – Mazars  
Robin Pritchard – Gateway Assure Limited  
Richard Harris – Director of Finance and Partnerships  
Nathan Hall – Facilities Manager  
Tracy Scaife – Clerk to the Corporation

803 Apologies for absence – received from Peter Foskett and Peter O'Brien

804 Disclosures of Interest – none.

805 Minutes of the last meeting held on 15<sup>th</sup> May 2018 – agreed as a correct record.

806 Matters arising from the minutes of the last meeting held on 15<sup>th</sup> May 2018 – none.

807 Audit Strategy Memorandum – report by Mazars received and noted.

Richard Bott and Carol Davey outlined the process followed in putting together the report and the main areas they look at.

It was noted that with regard to the Local Government Pension Scheme (LGPS) significant assumptions have to be used in calculations as this is not within the control of the college. One of the key areas of management judgement is the going concern assessment. A letter regarding this is required, signed by the Board, stating that they believe the judgement to be correct and that the college is a going concern. The Director of Finance and Partnerships advised the meeting that the Finance and General Purposes committee had met the previous evening and had agreed that cash generation should be focussed upon as a key measure.

For reasons of clarity, the report contains details of the fees to be charged. Financial materiality will be set between 1% and 2%. Audit misstatements in excess of £6,500 will be reported to the Audit committee.

The committee asked what changes Mazars will make to their audit approach in light of the fraud case that occurred the previous year. The meeting was advised that substantial checks on that area and overall will be made. With regard to the whistleblowing policy that was used to bring the fraud case to light it was reassuring that it led to a satisfactory outcome. Internally more checks are now being made on the internal invoicing process. A deep-dive audit has been carried out on Partnerships this year and changes to the partnerships processes have been implemented.

With regard to the fees proposed by Mazars it was noted that these have been increased by 3% but the recommended increase by CPI and RPI is 2.4%. Richard Bott and Carol Davey agreed to look into this and report back to the Director of Finance and Partnerships.

808 Facilities and security – report by Facilities Manager received and noted.

The meeting noted that the college has a very experienced Facilities Team. Since starting in post approximately six months ago the Facilities Manager has found some compliance issues that have not been dealt with and a small increase in resources may be necessary to move forward. The computerised system for regular maintenance needs reviewing and combining with the current paper system. A condition survey for the whole site is currently underway and will be a good exercise to identify potential expenditure in the future. A review of facilities operating hours is also being undertaken, looking at the possibility of opening the site on Sundays.

The security review has taken more time than expected. Until last year the college had no security personnel. Last year the college engaged Gold Shield Security who provided two staff on site however there were some issues with the company and the college is now moving towards bringing this security in-house. A discussion was held with regard to various licensing requirements. One previous employee of Gold Shield Security is now employed by the college as a Facilities Assistant and undertakes security as part of that role. A further position is being considered. Reference was made to the use of bodycams and how helpful these can be. The Facilities Manager agreed to look at the possibility of obtaining these for college staff. The Facilities Manager also agreed to investigate concerns raised regarding any additional liability on the college by employing security in-house and to check the college insurances to make sure adequate cover is in place. In-house security will be reviewed after six months with the college mystery shopper process being used.

The review of service contracts was raised and it was suggested that these should be linked in to the business continuity plan. It was recommended to the Facilities Manager that the college should always have three companies available to it at all times for emergency work.

***ACTION:*** *NH to investigate purchase of bodycams for internal security staff; to investigate the concerns raised re. college liability and insurances.*

809 Risk Management update and Risk Register – report by Director of Finance and Partnerships received and noted.

The meeting further noted that two new risks have been added to the Risk Register relating to employment tribunal claims and post Area Review. The employment tribunal claims item was added as the college was recently the subject of a very complicated claim that involved an excessive amount of staff time. The post area Review item was added in light of the recent special Corporation meeting and discussions.

Over the summer, various in-house plans will be looked at to see how these can be linked together with the Risk Register. This is being taken forward as it is a suggestion of the statutory compliance audit.

810 Block 2 Internal Audit Report – received and noted.

The report covers recent audit inspections of key financial controls, marketing, learner voice and student systems.

The meeting noted that through the audit of marketing it was found that back-end review processes are lacking and a formal process is needed for this. With regard to college marketing, the Director of Finance and Partnerships advised that digital marketing is being promoted rather than printed media.

Student complaints are reported to the Senior Management Team six monthly but it is suggested that this is undertaken more frequently. The automating of enrolment processes also needs looking at.

The plan for next year is currently being discussed and this will include GDPR compliance.

811 Audit Action List – report by Director of Finance and Partnerships received and noted.

With regard to item Payroll 1/16.1 it was noted that an integrated HR/Payroll/Finance system is still being looked at. This is a big task and will take considerable resources to ensure it is done properly and the right system for the college is sourced. All the current individual systems are working satisfactorily at the present time but are not as efficient as they could be. Support for some of the systems is also gradually being withdrawn. Discussions are still ongoing with regard to the Great Western Academy. Most of the recommendations relating to Partnerships have been implemented and those outstanding will be implemented/actioned in 2018/19.

**RESOLVED:** that the following items be removed from the Audit Action List:

Department Review: Fast Forward 5/17.1  
Campus management and Estates Management 9/17.4  
Corporate Governance 1/18.2, 1/18.3(b)  
Departmental Review: 3G Pitch 2/18.1,2/18.2, 2/18.3  
Partnerships arrangements 3/18.1, 3/18.2, 4/18.5, 4/18.6

**ACTION:** RH to amend Audit Action List as resolved.

812 Any other business – raised as follows:

(a) Chair of Audit committee – the Chair advised the meeting that he had accepted a new job based in Wales. He is currently in discussions with his new employer regarding his position as Chair of the Audit committee.

813 Date of next meeting – to be advised.

814 Criminal conduct/fraud processes: Auditor opinion – confidential minutes refer.