

**Minutes of a Meeting of
the Audit Committee**

on Monday 20 April 2020 at 5.30pm held virtually, using Microsoft Teams

Audit Committee Members in Attendance: Sasha Burns (Chair), Pat Flaherty, Daniel Maycock, Nicki Reid and Anthony Smith.

Also in Attendance: John Abbott (RHC Principal), Xanne Blythe (Clerk), Emma Fielding (RHC Deputy Principal), David Griffin (Chair of RHC Governors), Paul Lonsdale (RHC Vice Principal-Finance) and David Watson (RHC Director of Apprenticeships and Adult Learning).

Two new Committee members Daniel Maycock and Anthony Smith were welcomed to the meeting.

AUD 31 **Declarations of Interest (agenda item 2)**

Action

There were no declarations of interest.

AUD 32 **Minutes of the Previous Meeting and Matters Arising Report 19-20 (agenda item 3)**

RESOLVED: that the minutes of the Audit Committee meeting dated 18 November 2019 be agreed and signed by the Chair as an accurate record.

Governors noted under Min.27 and Matters Arising that each Committee had yet to be provided with the ESFA final funding audit to monitor the audit's corrective actions for their area of responsibility:

- a. Finance & General Purposes – financial viability,
- b. Academic Planning & Quality Committee – quality, student experience and academic outcomes, and
- c. Audit Committee – compliance with process and legislative requirements.

This action had been delayed due to the COVID-19 pandemic school/college closures, in place from 23 March 2020.

AUD 33 **ESFA Funding Audit (agenda item 4)**

The full final version of the ESFA funding audit had been circulated prior to the meeting along with an action plan with management responses, and a summary document entitled Progress Update, dated April 2020.

The Director of Apprenticeships and Adult Learning presented the Progress Update document with greater detail for the following areas, along with the implementation status:

- (a) Enrolment Process
 - A full review of the paperwork/Apprenticeship journey by an external consultant and the Director.
 - Enrolment Checklist, with an electronic evidence folder in place for each starter.
 - The introduction of Benchmarks.
 - Interview/initial assessment forms to check apprentice eligibility.
 - Enhanced Skill Scans, to ensure that a negotiated cost is accurate/appropriate, all non-standard costs were agreed with the Dir. of Apprenticeships.
 - Apprentice/Employer – IAG checklist, declarations to ensure that both parties (employer and apprentice) have a full understanding of respective responsibilities.
 - Commitment Statement, a three stage process, checked against the latest funding

guidance. These documents required a higher level of input and knowledge / detail from the apprenticeship team – to ensure front end compliance.

- Updated Service Level Agreements per employer.
 - Delivery milestone documents and Apprenticeship Learning Support.
- (b) CIS/Unit E
- CIS Check, completing key documentation prior to entry and fund claiming.
 - Enrolment start date evidence.
 - The new manager role in CIS provided reports to SLT.
- (c) In-Learning
- Updated Break in Learning (BIL) form.
 - Updated apprentice Change of Status form to record any relevant changes and strengthen the audit process.
 - Off the Job (OTJ) record, with additional regular checks built into a number of forms and processes.
 - Monthly Apprentice Progress Review meetings with detailed caseload tracking and progress review meetings.
 - A12 week review form, embedding a regular review of all apprentices working conditions/welfare at work, learning support, E&D, H&S, safeguarding, Prevent and British values.
 - Planning, feedback and monthly Review Form, used by assessors during workplace visits.
- (d) English/Maths
- Monthly Apprentice Progress Review meetings, to monitor progress of each apprentice, against each planned learning aim and detailed specific remedial actions (including additional support).
 - Commitment Statement/Delivery Plan. English and Math's requirements / delivery were now actioned to make sure they met the needs of the employer / individual apprentices and Apprenticeship Framework / Standard with various delivery options.
- (e) Quality Checks
- Enrolment checklist and CIS Check, monthly Apprentice Progress Review meetings.
 - A new Quality Cycle to include regular team audits of apprenticeship evidence packs.
 - Learner Evidence File internal audits by assessors, using ESFA's funding guidance and rules.

In response to detailed questions and challenge further information and clarification was provided on the following areas:

- all the key actions, highlighted by the auditor for corrective action, were in place,
- a refreshed enrolment process was in place for all apprentice starts in 2020. 100% of the systems and processes were complete for new starters, these systems were having a positive impact on current learners and their learner journey,
- further work needed to be undertaken to complete the new processes throughout the learner journey,
- ongoing training /development was being built on for programme leaders and assessors, and a great improvement had been seen in this area,
- End Point Assessments (EPA) had slowed down during the COVID-19 restrictions and remote EPAs were not in place,
- Governors were assured by the strengthened level of rigour applied to new stringent processes and procedures,
- as part of the review, responsibility had been apportioned to each stage of the apprenticeship process with clear roles and responsibilities assigned,
- Governors asked for the progress action plan to be presented to the Audit Committee for continued tracking and monitoring of the core processes and compliance testing,
- the Intent, Implementation and Impact Ofsted process was being followed,

- in response to a Governor's request for additional independent assurance to provide the necessary confidence in the new compliance regime going forward, the VP-F confirmed that RSM Tenon had been contracted to run a full learner audit on a sample of learners, and this bespoke specialised audit would be in place on an annual basis for both SLT and Governor assurance.

Governors thanked the VP-F and Director of Apprenticeships for the comprehensive action plan and the high level of work already implemented with learners, the Apprenticeship Team, CIS and employers. The meeting noted that the action plan had provided Governors with the assurance that adequate and effective internal controls were now in place for apprenticeships, with regular monitoring and internal and external compliance testing.

RESOLVED:

1. that the RHC Apprenticeship Audit plan be presented to the Audit Committee on a regular basis to enable regular monitoring of the audit's corrective actions,
2. that RSM Tenon be contracted to run a full learner audit for 2019-20, with similar arrangements for an annual learner audit,
3. that each Committee be provided with the ESFA final funding audit to monitor the ESFA funding audit's corrective actions for the following areas:
 - a. Finance & General Purposes – financial viability,
 - b. Academic Planning & Quality Committee – quality, student experience and academic outcomes,
 - c. Audit Committee – compliance with process and legislative requirements.

DW
PLO
PLO
DW

AUD 34 RHC Risk Registers for 2019-20 (agenda item 5)

(a) Monitoring of RHC Strategic Risk Register 2019-20

The VP-F presented the risk register, as circulated, as discussed at the last Audit Committee meeting, and made reference to the heat map and the operational risks. If operational risks still scored highly in the residual risk area this would become a strategic risk. The risk register was reviewed termly.

The Audit Committee had agreed to review the heat map at every Audit Committee meeting to discuss the direction of travel of risks, this would enable Governors to ask the right questions, gain oversight and recommend more specialised internal audits. The generation of a rag rated risk assurance matrix was discussed by the VP-F.

The Audit Committee had previously agreed for each Committee to have 3-4 key strategic risks to monitor as a standing agenda item. The one page 'assurance reports' on risk areas would be discussed at every Committee, together with the resources cost to further reduce the risk. Mitigating controls would be discussed for each risk, comments from Committees' 'assurance reports' would be compiled by the Clerk and overseen by the Audit Committee. This would enable all Governors to have a full understanding of the key risk areas and create greater awareness of the risk register. Committees would be required to challenge the mitigating controls to make sure that the controls were in place and achieving the required control objective.

Governors highlighted international students and the catering contract for heightened areas of risk for the College, and noted that data security was included within the compliance section of the risk register.

(b) RHC COVID-19 Risk Register 2019-20

The VP-F outlined the key risks as a direct consequence of the COVID-19 pandemic, the document had been circulated prior to the meeting, with nine key risks areas:

- Exam outcomes for 16-18 students

- Year 11 students GCSE grading arrangements and the associated difficulty of placing students on the best programmes of study
- Current lower sixth students falling behind in their studies leading to poor exam grades in Y2
- Vulnerable students not receiving the level of support needed to stay safe during college closure
- Failure to manage the potential negative impact on the College's reputation
- Maintaining a high quality service delivery as a result of continuing staff absence once open
- Existing apprenticeship outcomes and learning experience negatively impacted, new starts compromised
- International student recruitment compromised going forward and impacting on the viability of Oak House and the College generally
- Negative impact on short to medium term financial performance.

In response to detailed questions and challenge further information and clarification was provided on the following areas:

- student applications were being received and online interviews were being held,
- a student survey on their online learning was being prepared,
- mental health support was being provided to students by the Students' Services Team in terms of wellbeing links, and more general forums with creative elements for a softer approach,
- student postcards were being designed to send out from Huish to our continuing students to let them know we are thinking of them, missing them and looking forward to seeing them soon. The card would include key links to wellbeing support. A similar card for final year students would be designed with a celebration event, when possible,
- staff online wellbeing was in place with regular emails with creative links and an online quiz from the Staff Wellbeing Group. SLT were supporting staff and working with national associations (SFCA /AoC) to share good practice and carefully benchmark our planned processes,
- the AP for Student Services/ College Designated Safeguarding Lead (DSL) was leaving the College in June and the current Deputy DSL had been re-designated as the Director of Student Services and the new College DSL. There would therefore be no gap in the College's safeguarding cover, increased capacity to this role would be added by appointing two deputy roles to undertake more operational issues,
- staff absences, due to self-isolating during the coronavirus outbreak for various reasons, and the impact this would have once the College opened again to students,
- the importance of the student services team going forward for additional support to students dealing with bereavement and ongoing uncertainty,
- the end of year formal assessment was important as students would not have experienced formalised examination situations,
- the quality of home schooling would also have a long term impact, especially on the vulnerable students, careful monitoring of disadvantaged students was in place at the College, and more catch-up strategies would be in place for these students,
- discussion ensued on the longevity of the risks associated with COVID-19, as the lock down restrictions could be re-imposed, or brought back in phases with social distancing remaining, before a vaccine was made available,
- it was agreed to add an additional risk to the COVID-19 risk register around longer term restrictions, and to keep the COVID-19 risk register live. Learning from the coronavirus outbreak should be recorded and feedback into the College's business continuity plan,
- apprenticeship contracts would take longer to complete than normal, and therefore funding would be additionally lagged. However, the majority of apprenticeships were in the health and social care sector, and there was an anticipated additional need for workers in this sector. In some areas there could be a slump in apprentice demand as businesses struggled to cope with the everyday pressures of COVID-19,

- international students had returned home now with only 2-3 students remaining at Oak House. There had been a good early recruitment of lower sixth students. There was a pre-requirement for international students to pass the International English Language Testing System (IELTS), to measure the language proficiency, in Hong Kong and this was not currently available, international students would therefore be joining as late as September/October 2020.
- SFCA and AoC continued to lobby the government on behalf of the SFCs and FE sector around financial support, some FE colleges were wholly reliant on apprenticeship funding, while the College had greater diversification of risk with 16-19 ESFA funding.

PLO
Clerk

RESOLVED:

1. that the 2019-20 Risk Register and COVID-19 Risk Register be noted, with continual monitoring by this committee,
2. that an additional risk be added to the COVID-19 risk register around longer term restrictions, and to keep the COVID-19 risk register live, with lessons learned being fed into the RHC Business Continuity Plan,
3. that each Committee continue to monitor their key strategic risks as a standing agenda item. Committees would be required to challenge the mitigating controls to make sure that the controls were in place and achieving the required control objective, with an oversight report to be brought back to the RHC Audit Committee on a regular basis.

AUD 35 RHC Internal Audit Plan for 2020-21 (agenda item 6)

An internal audit plan had been circulated listing the key auditor visits throughout 2019-20. A number of visits planned in mid-March 2020 had been postponed due to the coronavirus and had been rescheduled for next term.

Discussion focused on the production of an assurance matrix, mapping back to the risk register, to enable key risks to be highlighted for a 2020-21 audit plan. It was agreed to produce an assurance matrix for the next RHC Audit Committee meeting on 8 June 2020.

RESOLVED:

1. that a RHC risk assurance matrix be produced for the next RHC Audit Committee meeting on 8 June 2020, **PLO**
2. that a draft RHC internal audit plan for 2020-21 be discussed at the RHC Audit Committee on 8 June 2020. **PLO**

AUD 36 Policy Review (agenda item 7)

The Anti-Bribery and Corruption Policy had been strengthened around the agreed compliance with international agents. International agents signed up adhering to both of the following policies annually.

RESOLVED:

1. that the 2020 RHC Anti-Bribery and Corruption Policy be recommended for Corporation approval.
2. that the 2020 RHC Anti-Fraud Policy be recommended for Corporation approval.

AUD 37 Fraud Reporting (agenda item 8)

Nothing to report.

AUD 38 Any Other Business/ Items for Next Agenda (agenda item 8)

The date of the next meeting was noted as Monday 8 June 2020. Items for the next Audit Committee agenda were noted as:

- Risk Registers and 2020 Risk Assurance Matrix
- RHC Internal Audit Assurance Plan for 2020-21
- RHC Apprenticeship Audit plan
- PCI vulnerability report
- Appoint Audit Committee Vice-chair for 2020-2022

With no further business the meeting concluded at 7.10pm.
The minutes were agreed and signed.

Chair.....Date.....