

MOULTON COLLEGE

AUDIT COMMITTEE

Minutes of the meeting held on Monday, 11th April 2016

Part 1

Present: Mr M Thomson (in the Chair), Mr A Clarkson, Mr T Neville and Mr R O'Driscoll

In Attendance: Mr J Creed, Mr S Davies, Mr M Dawson, Mrs G M Hulley and Mr J Mair

16/1 Apologies for absence (Agenda item 1)

Mrs E Olson-Williams, Mr I Borley and Mr M Ashton-Blanksby

16/2 Minutes of the meeting held on 16th November 2015 (Agenda item 2, Paper A)

The minutes were accepted as a true and accurate record.

16/3 Matters arising (Agenda item 3)

The matter was considered to be confidential and is contained in a separate annex at the end of the Minutes.

16/4 Key Information Set Audit – HEFCE (Agenda item 4, Paper B)

The Higher Education Funding Council for England (HEFCE) had recently undertaken a Key Information Set (KIS) Audit. The report confirmed that HEFCE had not gained assurance over the systems and procedures used in deriving the KIS data. This was based on the 2015/16 rules. HEFCE had made a number of recommendations for the College to action.

A KIS operational management group had been formed to consider the recommendations many of which had already been implemented. Members were informed that an action plan had been produced. This had been approved by the Senior Leadership Team (SLT). The action plan had been submitted to HEFCE and would be shared with the Audit Committee in July 2016. Following discussion, *the report was received.*

16/5 Risk Management Audit Action Plan (Agenda item 5, Paper C)

The Risk Management Group Action List had been simplified. It now included an action list which would form the basis of outcomes of the meeting. Following a review of the Risk Register at the last meeting of the Group in November, it was agreed there were no additional risks to add. The scoring would also remain the same. The Group would meet again in June 2016. It was agreed that consideration would be given to the inclusion of the bank covenant and forecasting into the Register. Following discussion, *progress with the action plan was noted.*

16/6

Audit Action Plan (Agenda item 6, Paper D)

Progress with the items in the report was discussed. The plan included a number of items which had not been fully implemented since the last meeting. The Plan also included recommendations from the KIS Audit (Agenda item 4). Members were informed that the recommendations from each of the Internal Audit Reports which would be discussed in Agenda item 7 had also been added. In relation to Item 412, bank covenant plans, Members agreed that this should be actioned as soon as was reasonably possible. Following discussion, *the report was noted.*

16/7

Internal Audit Reports (Agenda item 7)

a) Corporate Governance: Board Effectiveness Assessment (Paper E)

The report carried an overall assurance rating of 'Substantial' and contained 1 medium and 4 low priority recommendations. The medium priority related to governor attendance at Board and Committee meetings which was 78% and 76% respectively in the previous year. This was being monitored closely. Attendance was currently 85% and 84% respectively. The first low priority related to Terms of Office. Fifty per cent of the current governors were in their first term. When considering the future appointment of governors, the Search and Governance Committee would continue to scrutinise skills and experience to ensure an appropriate balance was maintained. The second low priority recommendation related to the need for ongoing training and development of the new Clerk to the Corporation since her appointment in November 2015. Since that time, the Clerk had attended three 1-day Clerks' training events organised by the Association of Colleges (AoC) Governance Unit. The third recommendation was aimed at broadening the role of governors through training and development activities. This was being addressed through link governor visits, learning walks, an annual governor development day and other College-focused activities. The final low recommendation related to compliance with the Code of Good Governance for English Colleges. The Board adopted the Code in September 2015 and was working towards full compliance by July 2016. Following discussion, *the report was received.*

b) Education Funding Agency (EFA): Conditions of Funding Healthcheck (Paper F)

A review of the 2015/16 Individual Learner Return (ILR) data was undertaken in November 2015. The purpose of the review was to give the college maximum notice to ensure compliance with the EFA Conditions of Funding. The audit findings identified a non-compliance rate of less than 4%. A range of actions had been implemented to follow up non-compliant learners. Members were informed that nearly 50% of the non-compliant learners were Art and Design students who had GCSEs but the paperwork had not been

received. Another large proportion of learners had withdrawn. It was not expected that many learners would be non-compliant by the end of the academic year. The review also concluded that the College was likely to be in a position to comply with the Conditions of Funding. Following discussion, *the report was received*.

c) Fundamental Financial Controls: Stock Control and Transportation (Paper G)

As a result of an audit of stock at the College's garden centre and a Value for Money (VfM) review of transportation costs, an overall assurance of 'Substantial' was awarded. In relation to the College's garden centre, two low priority recommendations were made. One related to the raising of purchase orders and stock holding. The second low priority recommendation related to the stock valuation report which contained a number of zero stock items which could be removed. Staff training had been completed to address the issues. The advisory recommendation related to the VfM review. The review concluded that the costs associated with keeping the leased vehicles was less than the costs the College would incur in reimbursing staff to use their own cars for College business. The Committee welcomed the assurance that the VfM review provided. Following discussion, *the report was received*.

d) Student Journey: Initial Enquiry, Admissions and Enrolment (Paper H)

The report carried an overall rating of 'Reasonable' and contained 1 high; 5 medium and 4 low priority recommendations. The internal auditor acknowledged that some recommendations were identified as subject to resources being available. These were currently under consideration by the SLT.

The high priority recommendation related to course information particularly in relation to marketing the provision. The report included very positive feedback on the College prospectus and website. However, the inclusion of information on the components of a Study Programme and the importance of English and maths at GCSE could further improve students' understanding. The recommendation also included the development of a marketing strategy and implementation plan. A positive response had been received from the SLT with a number of implementation dates for actions in time for the next academic year. The first medium priority recommendation related to capturing enquiries to ensure they would convert into student places. The Student Services Team had introduced a number of new approaches, strategies and procedures to address this risk. The second medium recommendation involved an increase to the percentage of learners who attended their first interview. Members were informed of a change to the system this year which had resulted in a positive outcome. The third medium priority related to Schools Liaison activity, in particular, in relation to

Year 11 leaver numbers. The College planned to approach the 16-19 team at the local education authority (LEA) to explore this further.

In summary, since the appointment of the Assistant Director of Student Services, work had commenced to address many of the points raised in the report. This team was already having positive results, for example, conversion rates were higher than compared to the same time last year. The Committee welcomed the report and recommended that a similar audit should be completed in the next academic year. This would offer an opportunity to monitor improvements. Following discussion, *the report was received*.

16/8 **Date of next meeting**
Monday 4th July 2016 at 4.00 pm.

16/9 **Any other business**
Mr T Neville had agreed to chair the next Audit Meeting in the absence of Mr M Thomson who would be on an overseas trip.

Part 1 of the meeting concluded. Mr J Creed and Mr M Dawson left the meeting.

The meeting ended at 5.10 pm