

Colchester Institute Corporation

*Minutes of a Meeting of the Audit and Compliance Committee
held on 7th April 2016
at the Sheepen Road Site*

Present

Lisa Clampin, in the Chair
Peter Hempstead

Kevin Prince

In Attendance

Alison Andreas	Principal and Chief Executive
Caroline Fritz	Assistant Principal: Quality and Teaching and Learning Improvement (item 11 only)
Gary Horne	Vice Principal: Finance and Operations
Hazel Paton	Clerk to the Governors
Grant Spilsbury	Internal Audit Manager, RSM

There were no apologies for absence.

Peter Hempstead was welcomed to his first meeting of the Committee.

1. Declaration of any conflicts of interest regarding any items on the agenda

None.

2. Minutes

The Minutes of the meeting held on 4th December 2015 (CIC/AC/16/1/1) were received and confirmed, subject to amending the title of Grant Spilsbury. The Chair signed the minute book.

3. Matters Arising from the Minutes

None, other than on the agenda.

4. Internal Audit Tracker

CIC/AC/16/1/2, Internal Audit Recommendation Tracker, was received and considered.

4.1. 2013-14 Internal Audit Programme

Governors were pleased to note that all recommendations arising from the 2013-14 internal audit programme had now been implemented.

Learner Number Systems (4.13/14) was discussed. Governors noted that alternative processes had been introduced to track learner progress and asked if use of e-portfolio was being pursued. It was reported that the College Executive had agreed to invest in tablets or laptops for all assessors using a standard software system for tracking progress, allowing assessors to go out to employers and upload information instantaneously. The College has since embarked on a restructuring of the employer facing departments into a "one stop shop" and it was agreed to complete this process and implement standard software from September 2016. The College has looked at a number of software options and the preference is the C&G software (subject to procurement tender process).

4.2. **2014-15 Internal Audit Programme**

The Committee considered progress on implementing recommendations arising from the 2014-15 internal audit programme.

(i) **Safeguarding**

The Clerk reported that she had received confirmation earlier that day that the outstanding recommendation in the Safeguarding report had been completed on 31st March. All recommendations had now been implemented.

Governors noted that the outstanding recommendation was high priority for immediate implementation but that it had taken a year to complete and asked if the implementation date had been reasonable. It was reported that action was needed straight away but given the amount of work involved, and the procedure that needed to be followed, it was always going to take this period of time to complete. The recommendation had been reclassified as low risk following the internal audit follow up. This led to a discussion on whether the implementation date refers to the date when work should start or when it should be completed by. The Internal Audit Manager said that it is normally when an action should be completed by and suggested that for actions that require immediate attention but which will take a period of time to complete a separate target completion date should also be agreed so progress can be measured.

(ii) **Learner Number Systems (Learning Shop)**

It was noted that it had not been possible to add the learning aim reference to the Student Learning Agreement for 2015-16 and the feasibility of adding this to the Agreement for 2016-17 will not be considered until the summer term. Governors questioned the length of time this was taking. It was reported that the forms are pre-printed from the EBS system and the College needs to work with the system provider to get the form changed which takes time.

(iii) **Subcontracting**

Governors noted that short notice visits to subcontractors had been introduced but questioned whether this incorporated all the component parts of the recommendation it was addressing. It was reported that a checklist has to be completed as evidence that the full monitoring process has been undertaken and a member of the quality team samples the checklist.

The Committee welcomed the report but asked for future reports to include revised completion dates for all actions where the agreed completion date has been missed.

5. **New Internal Audit Report**

CIC/AC/16/1/3, Applications Internal Audit Report, was received. The review was carried out in an advisory capacity and looked at the application process from the time of the initial enquiry from a student until 42 days after enrolment (the window for funding). The key findings were discussed. It was reported that a lot of management information was available to the College but better use could be made of it for performance monitoring, to inform the marketing strategy/campaigns and to make sure targets are hit. It was reported that there have been significant changes of staff in this area and a number of new measures have been put in place for this September.

The Committee noted that a number of the recommendations had implementation dates of February 2016 and asked if that was realistic. It was reported that a lot of the data is already captured and it is just a question of running reports more routinely.

It was noted that the Boards of some colleges receive reports on the current status of recruitment at every meeting so that governors have early warning if there are any issues. The Committee considered how recruitment is monitored at Colchester Institute. The College Executive considers the current position at every meeting, with comparative data for the previous year. It was reported that FE applications for September 2016 are 29% up on the same period last year and applications are still come in at a steady rate. The process has been changed this year to get students to apply earlier and move through the process quicker. After discussion the Committee asked to receive a report at the next meeting on application numbers and conversion data.

6. Internal Audit Progress Report

CIC/AC/16/1/4, Internal Audit Progress Report March 2016, was received and considered. It was reported that since the progress report had been issued the Internal Auditors had been asked to withdraw the reviews of curriculum planning and the quality of teaching and observations. The recent Ofsted inspection had provided a very intensive review of the quality of teaching and learning, (128 sessions seen) and an analysis of the activity that led to that and it had been found to be good. The Internal Auditors are currently in discussion around an additional review of marketing. The dates of the reviews of sickness and absence management and performance management (appraisals) have been moved from April to May at the request of the Director of Human Resources.

7. Financial Statement Auditors Performance Indicators

CIC/AC/16/1/5, Performance Indicators for the Financial Statements Auditors 2014-15, was received and considered. The College Management remain impressed with the Financial Statements Auditors and their understanding of the College and the sector. The auditors continue to offer in year advice and last year's year end process went very smoothly. The Internal Audit Manager confirmed that there is effective liaison with the Financial Statements Auditors. It was AGREED to recommend to the Board the re-appointment of Scrutton Bland as Financial Statements Auditors for the current (2015-16) financial year.

8. Internal Audit Performance Indicators

CIC/AC/16/1/6, Internal Audit Performance Indicators for the year 2014-15, was received and considered. This reviewed the second year of a three year contract and the Executive welcome the independent view of the College's activities, the benchmark information that the auditors are able to provide and the support that is provided following the audits. Governors ask how the College evidences that the Internal Auditors comply with relevant codes and audit standards etc. It was reported that the auditors are reviewed by the chartered institute every three years and this is included in the annual report to the Audit Committee.

Governors asked if the annual report included statistics on the achievement of predetermined timescales for assignments, and whether the internal audit contract included metrics by which the service could be measured. It was reported that the auditors have internal standards but it was not clear whether any standards were included in the original contract. This will be looked into outside the meeting. If there are no measures in the contract, Governors asked to receive proposed metrics by which the service can be measured at the next meeting.

9. Risk Management

The Committee received and considered

- CIC/AC/16/1/7, Notes from the Risk Management Committee Meeting held on 3 February 2016, and
- CIC/AC/16/1/8, Corporate Risk Register (updated 3 February 2016)

The focus of the Risk Committee had been on reviewing departmental risk registers. The quality of the departmental registers is variable; some are very good but others focus on less significant operational matters rather than core business. This was raised as an issue at a College Management Group meeting and managers were given further guidance on what is expected. Some individuals were also given direct feedback so they have a better understanding of the process.

The department risk registers identified risks around key staff leaving the organisation. This is something that the Executive has been conscious of over the last two years, particularly as the College has not been able to make any cost of living pay increases. The College has tried to mitigate the risk by establishing a wellbeing committee and introducing other benefits such as the employee of the month and annual staff awards.

The changes to the risk register were considered. The risk of deteriorating performance as a result of skills shortages has been increased, and planned actions in respects of mitigating some of the of the higher risks in the register have been updated.

Governors noted that a lot of actions were identified for each risk to reduce the risk ranking, but there was nothing in the risk register to identify how close the College was to achieving the target residual risk. After a wide ranging discussion it was suggested that one option could be to separate the 'task and finish' actions from the on-going controls and give a target date for the task and finish actions. The Vice Principal: Finance and Operations was asked to consider these changes.

10. Reports under the College's Fraud Policy

It was noted that there had been no reports of suspected fraudulent or irregular acts under the College's Fraud Policy since the last meeting of the Audit and Compliance Committee.

11. Equality and Diversity Report

CIC/AC/16/1/9, Equality and Diversity Report February 2016, was received and presented by the Assistant Principal: Quality and Teaching and Learning Improvement. As requested at the last meeting, data on learner achievement gaps had been added. A strategic training priorities document is being drawn up and once this is completed details of training that relates to equality and diversity in the curriculum will be added as an addendum. The action plan has been updated and one new action has been added.

The Committee noted that there was a significant gap between the overall retention rate for vulnerable students and the whole College FE figure and asked what was being done to address it. It was reported that a new objective to develop monitoring systems to narrow achievement gaps between vulnerable groups and the overall student body (FE) has been added to the action plan. There is now a live scorecard for vulnerable groups to look at attendance, achievement and retention gaps.

The action plan was discussed. The Committee noted that a number of the measures were not measurable making it difficult to know whether they have been achieved. It was suggested

that some measurable targets should be included, for example a percentage target for the reduction in the number of reported bully/harassment cases over the four year period would add value to the action plan.

The comparison of the performance of learners from different ethnic groups was discussed. It was noted that the small number when distributed through the various ethnic groups makes meaningful analyses unreliable. It had been suggested in the past that it might be more meaningful to compare the performance of White British learners against all other groups but the committee were unsure of how meaningful this might be. It was reported that there are different quality issues in the College not to do with these protected characteristics but which might be more to do with curriculum area, for example areas that are predominantly young male may not do as well as other areas, and there are plans to look more broadly at this. The other measure not currently included is value added data.

The Committee noted from the analysis of staff data that there is an aging profile and asked whether this should feature more predominantly in the action plan. It was suggested that this links to curriculum development and as new courses are developed new staff with difference expertise will be brought in.

12. Health and Safety

CIC/AC/16/1/10, minutes of the Health and Safety Committee held on 13 January 2016, was received and considered. Governors noted instances of student misbehaviour reported under the security report and asked how the College deals with these. There is a student disciplinary process, similar to the staff procedure. Depending on the level of misconduct the student will receive a verbal or written warning and in serious cases may be excluded. Governors noted that there had been some incidents of theft and asked if the police were involved. It was reported that the College do not call the police if the item is returned, but victims are always advised that they can report incidents to the police if they wish to do so.

13. Date of Next Meeting

Tuesday, 14th June at 2.30pm.

14. Any Other Urgent Business

14.1. Learning Shop at Witham

As part of the estate rationalisation plan the College has been looking for an alternative location for the Learning Shop at Witham. The lease on the current building is expensive (£40k pa), with additional annual running costs of c£10k and the College only utilises 25% of the building. There is currently one year left on the lease inherited from Braintree College, but the landlords, Braintree District Council, have agreed that the College can surrender the lease as early as 01 May 2016. An alternative location has been found in Witham library, which works better for the Learning Shop Activities. In return for the early surrender of the lease the College has agreed, subject to Board approval, to transfer ownership of the football pitch that it owns in Courtauld Road, Braintree. Heads of terms are currently being finalised to surrender the lease and pass ownership of the football field to the Council for £1, subject to a covenant that it must remain as a recreational field and if it ever went for building some overage would be payable to the College. Going forward the College would have to rent the field on a 'match by match' basis. The Committee gave approval in principle to the proposal.