

**College of West Anglia
Minutes of the
Audit Committee
15 March 2023
9.30am
Meeting room, Principal's Suite**

Present	Ray Harding Dave Clark Michael Andrews Kay Driver Mark Eastwood Carolyn Rand	Governor (Chair) Governor Co-opted Governor Governor Governor Governor	In person In person In person Virtual Virtual Virtual
Attending (in person)	Paul Harrison Rob Petto Mandy Lakey Jenny Quaif Jules Bridges	Vice Principal Corporate Services Assistant Principal Funding and Performance Employer Engagement System Implementation Manager Head of Finance Head of Governance	

No.	Action
1	<p>Committee Members' briefing with Auditors Auditors were not in attendance for the meeting.</p>
2	<p>Apologies for absence Apologies for absence were received from Paul Goddard, Scrutton Bland.</p>
3	<p>Declaration of interests There were no items of interest declared.</p>
4	<p>Minutes of the meetings held 23 November 2022 The minutes of the meeting held on 23 November 2022 were reviewed and agreed as being an accurate record.</p> <p>23 November 2022 (confidential) The minutes of the confidential meeting held on 23 November 2022 were reviewed and agreed as being an accurate record.</p> <p>2 December 2022 The minutes of the meeting held on 2 December 2022 were reviewed and agreed as being an accurate record.</p> <p>1 February 2023 (Special Meeting) The minutes of the special meeting held on 1 February 2023 were reviewed and agreed as being an accurate record.</p>
5	<p>Matters Arising The progress against the outstanding matters from previous meetings was summarised in the report.</p>

The committee asked for confirmation and assurance that the actions regarding the control of IT equipment internal audit work had been completed this month. The VPCS confirmed that this was indeed complete.

It was noted that threshold for contracts had been set at £5K and this was for discussion under item 12 of the meeting.

KPMG have now finalised the accounts and these have been filed with the ESFA. The VPCS explained that the finalisation of the CWA subsidiary accounts was delayed due to the ONS reclassification. The college put a letter of comfort into say that they would support the subsidiary if it came into financial difficulty and the ESFA guidance suggested that this would require Treasury approval. After due consideration subsequently the guidance was amended to state that if there were a letter of comfort at a particular level and was in the normal course of business then it didn't need Treasury approval. KPMG were satisfied to then sign off the subsidiary accounts.

The completed items are to be removed from the table

6 Internal Audit Progress Report

In the absence of internal auditors, the written report was noted by the committee. Three internal audit reports will be presented to the next meeting of the committee in June, these being Procurement, Assurance Framework, and Governance. The remaining audit for Tax, including VAT and IR35 is due to be carried out in early July so that report will come to the first meeting in the new academic year (October 2023).

The committee asked for confidence that these reports would be completed for the June meeting. The dates have been diarised to be carried out so they will be reported in June 2023. A more even spread of reporting would be appreciated by the committee so that reports aren't end loaded at the year end.

7 Progress on implementing agreed audit actions

The Head of Finance has changed the format of the report and used colour codes to highlight the level of priority (Red, Amber, Green) and the same for overdue, due and complete so that members can see at a glance the priority recommendations and progress made toward completion.

The asset tracking (point 2 of the report) of IT equipment has been completed. A new piece of software called Hornbill stores the asset, who and when it was loaned to, make, model, serial number, and asset tag. All staff sign a disclosure agreeing to look after the college asset and return it when employment comes to an end. The IT team are confident that this is up to date and the finance team will spot check the process to verify this is complete. The committee pointed out in item 4 of the report that the spot check of the items on the fixed asset register had a completion date of April 2023 so therefore queried if point 2 for IT assets was complete or not. The Head of Finance confirmed that they are two separate actions. The finance team will spot check the IT Hornbill process, and for point 4 they will verify the existence and location of a sample of assets to make sure that the register is accurate.

With regard to point 12 concerning the stock of the shop for CWA Enterprises a full stock take was undertaken over the February half term. The finance team are working with the till company to calculate the stock value (at cost) although it was noted that the new till system is not designed for retail, so a calculation is not readily available. The deadline date has been adjusted from December 2023 to align with the year-end (July 2023) to ensure we're able to calculate the stock value for year-end accounting purposes. A governor questioned the value of the stock as this seems to be absorbing a lot of management time to ascertain. It is believed the

value is likely to be around £25K but until reconciliation with the till company has been resolved we're not able to accurately gauge this.

The committee asked about the progress for point 5 as the report shows an update in February 2023 but no detail was reported. The Head of Finance confirmed that no progress had been made against this recommendation as this will be incorporated with the implementation of a new finance system. The VPCS confirmed that we will continue to live with the cost centre codes as they are until they are redesigned for the new financial system when installed. This recommendation is therefore on hold at this time.

The Chair of the committee asked if the risk management strategy (point 1) is on target to be shared with the committee at the meeting to be held in June as the target date has shifted several times. The VPCS has written a draft, but this is to be shared with managers for comment before being shared any wider. There is no appetite or value of formalising a process for risk management at operational or departmental level, so this has stalled the release of the final document.

The committee asked if item 10 could be resolved before the deadline of December 2023. The Head of Finance confirmed that some progress has been made already and some old items have been reconciled. A further step for the HoF to sign off the reconciled items each month is the only progress outstanding so it was agreed that the deadline date could be moved to be achieved by the year end (July 2023).

HoF

It was noted that the outstanding action concerning related party transactions (item 8) has been completed for prior years and the system improved but is still to be completed for the 2021/2022. Governors asked that the management update in the report reflected this progress.

HoF

R Petto and M Lakey joined the meeting at 10.07am

8 Apprenticeship Internal Assurance Review Update

The Employer Engagement System Implementation Manager (EESIM) provided an update on the progress made against the internal review of the apprenticeship provision. Work continues to resolve the queries identified with the 2021/22 learner files. Part of this review was to look at the enrolment process and the enrolment documentation for all the apprentices in the ILR for last year. This identified two areas of compliance that required improvement: missing apprenticeship agreements for a small proportion of the total population of apprentices and missing signatures on ILP's.

Of the 55 apprenticeship agreements identified as being missing there are still 2 currently outstanding (1 is in learning, the other is on a break from learning) but of the 55, 30 were unable to be resolved. Discussions with the employer/apprentice has confirmed that they either left or have withdrawn in that period.

In terms of the ILP's with missing signatures, the ILPs look at the learning aims, the programme itself, start date/planned end dates there were missing signatures either by the apprentice, the employer, or the training provider. In most instances these are now in place.

The larger areas of compliance were around off the job calculations where calculations didn't meet the minimum requirements and because we were looking at last years' ILR we were looking at 4 different years' sets of funding rules and each year had its own set so there were 4 variations of those calculations which is why this was more time consuming and why the number of inaccuracies were quite high. Of the 325 learners there are now only 38 still outstanding and of the 325, 78 of those were unresolvable, meaning that the apprentice has achieved, withdrawn or are no longer in learning.

In addition, it was reported that there were 111 instances found where off the job hours were not stated on paperwork however all of these have been checked and because of the E-portfolio system that is being used, Smart Assessor, those hours correlated to the checks that were calculated, so this was very low risk. There were however 19 that could not be resolved as they had either withdrawn or had achieved on programme.

Alongside the off the job hours, are the off the job plans and there was inconsistent information within the funding rules applicable in the last three years however this has now been clarified in this year and last year's funding rules but is why there was a high level of plans missing that the review exposed. The EESIM provided the committee with the reassurance that these plans do exist, but they are individualised, and they are on the individual's learner files so this is the process that is being worked through currently.

Pleasingly, it was noted that there is a reduction in compliance issues in this year with 256 records reviewed at the end of February 2023 and no instances of missing agreements, signatures, or off the job plans and off the job calculations accurate within a 1-hour tolerance.

The committee questioned if the college was at risk of funding clawback from the 2021/22 data. The APFP confirmed that an ESFA funding audit at this point in the succeeding academic year would be unlikely although there are instances where the ESFA have conducted retrospective audits. Typically, though these audits would take place in September/October looking at the preceding year as it closes so to be audited in March would be unheard of, although not entirely impossible. If an audit were to take place a sample of maybe 30 files would be taken from the 1,000 apprentice population. It was noted that the error percentage from the SRF report two years' ago for a sample of 30 learners was about 5.7% and 1 apprentice accounted for 3.5% of those errors. The APFP added that the college if audited is likely to be below the 5% tolerance threshold so the risk of unqualified audit would be unlikely. It is also believed that the ESFA are to remove the retrospective audits after last year.

A governor asked if these audit issues are more prevalent with small or larger employers and if we needed to approach our apprenticeship delivery in a different way. The EESIM confirmed that analysis of issues at employer level has not been undertaken because it was found that the lion share of issues related to a wide range of standards and the implementation of the new CRM system will help reduce the queries regardless of which employer the college is working with.

C Rand left the meeting at 10.20am

It was noted that the new CRM was due to be in place in December 2022 but is only due to go live this month. Staff are receiving training and the system tweaked to integrate Adobe sign into the platform which will enhance the end user experience and redesigning the system process to align with existing internal systems such as the student portal.

A business workflow has also been built into the CRM so that each stage of the enrolment process can be seen, tracked, and monitored. The integration of adobe sign means that the error rate of missing signatures will be significantly reduced because the system sends out automated reminders on a daily or weekly basis. Password protection on documentation can be used for transfer of personal and sensitive data. The system will automatically update when the signature is there and within adobe you can check and track the time it takes for signatures to come through and send more frequent prompts to chase.

The Smart Assessor is the E-portfolio system for apprentices. A health check of our system has been carried out that identified several quick adaptations that could be made to the system to improve visibility across all areas of apprenticeship delivery. This functionality was piloted with 2 departments (which accounts for 80% of our provision) and this is enabling easier oversight of apprentice's progress including duration on programme against progress recorded, off the job requirements and training reviews. The team are now looking at adding in other improvements such as online forms to streamline administrative processes.

At the request of the committee last year the apprenticeship risk register was created to keep progress against processes and systems in focus. It was noted that as of February 2023, 39 short term controls were in place, with 34 completed, 3 overdue and 2 actions on going. These relate to the compliance issues identified in the 2021/22 data (detailed above). One of the 3 overdue actions was to ensure that the top 13 standards have a clear and transparent apprenticeship journey detailed, and a governor asked what was meant by this. The EESIM explained that of the 52 apprenticeship standards delivered, 13 of those standards applied to 75% of the provision across the apprenticeship population so the action is to ensure that efforts are concentrated in these areas to resolve arising issues. For this term there are 15 controls, 2 of which are complete, 8 are on track and 5 are too early to state currently.

It was noted that the team is considering a full internal funding assurance audit toward the end of this academic year, across all major funding streams in line with the approach to testing adopted in an ESFA audit. Finally, after a governor raised a question, the VPCS confirmed that apprenticeship provision accounts for about £4m income and is an area for income growth.

R Petto and M Lakey left the meeting at 10.30am

9 Risk and Internal Controls Update

The committee received a verbal update from the VPCS who reported that there are emerging concerns around the accuracy of results in a particular area of HE provision.

A review by Norfolk Fire and Rescue last year identified that several fire doors in the Tower Block were not closing properly and a result in the event of a fire the fire would not be contained. A list of recommended changes to be made was estimated to cost c.£200K but most of the issues were able to be resolved in house by replacing the intumescent strips that expand to seal the doors and this cost the college c.£16K to resolve. It was noted that Norfolk Fire and Rescue are due back tomorrow to reassess the work.

The VPCS confirmed that the college is looking into cautiously placing cash on deposit. Negotiations are taking place with banks and of course there are risks associated with such transactions. Our approach will be low risk, choosing only A rated banks, and look to invest on short term deposit arrangements to protect the good financial health of the college.

It was noted that the HR team are continuing to gather the evidence and update the Single Central Record. This is an important repository to maintain. The Chair asked if this was something that the safeguarding governor lead would audit. The Head of Governance mentioned that coincidentally she was conducting an audit of governor records that afternoon.

New procedures have been put in place to ensure that agency staff are recruited through HR and are not directly contracted by staff. Appropriate background checks, eligibility and cost all need to be controlled and managed. It was noted that these new processes must not detract from the urgent need to recruit quality teaching and learning staff.

10 Review of Risk Register

The committee was content that risk 18 on coronavirus has been removed as it no longer impacts operations, and the target score has been met. At the request of the committee, it was noted that the heat map has been reintroduced.

Members of the committee asked when the Tower Roof works (risk 8) were scheduled to be completed and at what cost. The VPCS confirmed that this will be carried out over the summer break and costs are estimated at £1.2m and it was noted that the Capital Projects programme will be shared with the Corporation for approval at the meeting to be held in March 2023. The college has received two ESFA capital fund awards that will supplement the capital budget and the VPCS reported that progress has been made with insurers to progress the defect claim for the repairs to the Tower Block roof as there is evidence that the installation was not compliant with the design specification.

Under risk 10, there are continuing issues with some areas falling short of achieving the 75% target compliance for updating/inputting Safesmart risk assessments and training, so every effort is being made with these areas to get this back on track.

It was questioned if risk 24, concerning the ONS reclassification is a risk for CWA as there is no need to borrow money and therefore it was agreed that there would be a limited level of risk for the college. Removal of this risk from the register will be discussed with the corporation at the meeting to be held in March 2023.

VPCS

Finally, governors asked if the residual score (4) of risk 16 around HE provision should be a higher score given declining student numbers. The VPCS explained that the risk owner (VPCQ) feels this is appropriate given the scope to grow the offer and improve quality. The committee agreed that it would like the corporation to review the level of risk.

VPCS

11 Review of contracts register waivers and debt write-offs

It was noted that the top five contracts on the register remain as previously reported. At the request of the committee appendix 2 shows the active contracts over £5K as at 23 February 2023. Out of interest appendix 1 shows the new contracts that the college has entered into since November 2022 to 23 February 2023. It was agreed that the committee does not need this appendix for future reports.

C Rand re-joined the meeting at 11.00am

The VPCS confirmed that contract requirements had been waived for the repairs to the equine muck trailer as rather than contact garages for quotes, staff helpfully towed the trailer to a garage for urgent repair.

12 CWA Publication Scheme (FOI) and guidelines

The VPCS confirmed that the publication scheme and guidelines has been updated and more documentation/information is now available on the college website.

The committee questioned 6.4 CCTV if it was appropriate that we disclose the locations of overt CCTV cameras by postcode and building on our website and queried if under 3.6, publication of strategic plan/strategic ambitions if this was something that should be made available on the college website. Subject to these amendments the committee **approved** the scheme and guidelines.

VPCS

13 Governors/SMT Expenses – Review

A retrospective review of governors and SMT expenses is required by the committee on an annual basis. It was noted that overall claims have increased from 2021 to 2022 as COVID restrictions eased and we returned to more face-to-face meetings.

The Head of Finance reported that the internal processing of travelling/subsistence claims for governors has changed to a simplified and swifter process.

14 Gifts and Hospitality Register – Review

The committee noted the contents of the register.

15 Whistleblowing Policy (biennial review due)

The policy is updated every two years. Updates, which were minor were tracked and related to dates of version control and some contact details for third party arrangements updated. The committee was content to recommend the approval of the policy to the Corporation at the meeting to be held in March 2023.

VPCS

16 Update on tender of internal and external audit services

Confidential item under Paragraph 17 (2) (d) of the Instrument of Government

17 Any other business

Thanks were extended to Michael Andrews whose term of office comes to an end next week. His contribution and challenge to the committee and support for the college has been extremely valued and very much appreciated.

18 Chair's items for briefing to the corporation

- The annual report and financial statements for the year ending 31 July 2022 have finally been filed. There was a delay due to ONS reclassification and approval of our letter of support for CWA Enterprise.
- Significant progress has been made to investigate and resolve the compliance issues found within our apprenticeship provision
- Corporation to review keeping risk 24, ONS reclassification on the register. Is this actually a risk for the college?
- Corporation to review the level of risk 16, delivery of high quality, valued HE provision. Should this be a higher residual risk score than 4.
- The committee has reviewed and approved the colleges publication scheme (FOI) and guidelines
- To recommend the Corporation approves the Whistleblowing policy

19 Date and time of next meeting

Wednesday, 28 June 2023 at 9.30am

Meeting ended at 11.15am