

Governing Body Minutes

Meeting	Audit Committee	Date	Tuesday 14 th June 2016
Location	Boardroom, 2.119, Discovery Park	Time	9.05am
Membership	Tim Kent (Chair), Patrick Finucane (Vice-Chair), Charles Buchanan, Tom Price and Gail Clarke		
In Attendance	Chris Legg (Officer) Paul Sayers (Officer) Sara Woodward (Item 5) Derek Reed - Wilkins Kennedy (Item 6) Tara Ashman (Clerk)		

	ITEM	COMMENTS	ACTION POINT REQUIRED
1	Welcome and Apologies for Absence	<p>The Chair welcomed members to the meeting and advised that Tracey Pearcey will be joining the committee as a co-opted member next academic year, she is a practising auditor locally and this will strengthen the audit function. Although Tracey won't be a full Governor she will be invited to the strategy events to include her in the future planning.</p> <p>There were no apologies.</p>	
2	Declarations of Interest	There were no further declarations of interest to those previously standing.	
3	Minutes of meeting held on 4th March 2016	The minutes of the meeting held on 4 th March 2016 were reviewed and approved as an accurate record and signed by the Chair.	
4	Matters Arising	Risk Management - Members discussed the existing risk register and the agreement at the last Full Governing Body meeting for a small group to discuss this in advance of the next academic year.	

		<p>Carver Review - The Chair was clear that during this period of collaboration East Kent College Governance remains looking forward. Members discussed Search and Governance proposals for 16-17 and agreed to review the effectiveness of Carver against Education at the November meeting.</p> <p>Tribal Benchmarking - CL advised that they key message was the College was geared for a 26 million pound turnover and being a 23 million pound College the services came out fractionally too high. There is some work being done to balance the budget and Audit committee were assured that there were processes in place to review this. CL advised he would share the methodology underpinning the benchmarking with the management accounts group for further assurance.</p> <p>Document Control - CL and PS advised the processes are in place for document control with the additional measure of physical checks at campus level having been introduced. Once SharePoint is online across all levels a more technological solution will be considered.</p>	<p>Agenda</p> <p>CL</p>
5	<p>Internal Audit Report - East Kent Technical School</p>	<p>[Sara Woodward joined the meeting at 9.35am]</p> <p>The Chair welcomed Sara to the meeting and invited her to pick up on any key points for discussion. SW apologised on behalf of Mike Piper who was unable to attend the meeting but had written the report.</p> <p>The report was commissioned to review the Technical School in advance of an Ofsted inspection using the Ofsted self-assessment guidelines. The overall report was a mixed picture with some clear areas of development, although nothing unexpected from the College's perspective. The school has rigorous procedures in regards to policies and admissions with retention currently at 22 from 23 starts. A Governor sought clarification the acronym FTE - fixed term exclusions. The school has plans in place for the identified variation in skills and qualifications for staff delivering Key Stage 4 and the role of the SENCO was discussed with SW assuring members that this is needed for one pupil and they are currently receiving support from the wider College which is working well.</p> <p>Current recruitment sits at 32 new starts for next year with the addition of creative and engineering and construction pathways. Early Years has been withdrawn for 2016-2017 year 10 intake.</p> <p>The school is committed to all learners undertaking work experience or work related learning, this is no longer mandatory however this is part of the schools unique offer. A Governor asked about progression for the learners, SW advised that the aim is to get the majority of learners on to a Level 3 course within College although identified 6th form as a pathway for some and apprenticeships for others.</p>	

		<p>The committee was concerned that the report noted '<i>the school is not meeting statutory requirements in terms of Spiritual, Moral, Social and Cultural (SMSC) development or British values education. Religious studies whilst touched on in PSHE time are not sufficient to cover the expected statutory expectations</i>'; not only on the breach itself but on how the risk would have been identified were it not for the report. SW commented that the breach was with religious education and assured members that fundamental British values and SMSC have been included as discrete lessons and integrated into other lessons and half day focus days will be addressing this before the end of term. An initial Ofsted visit is due at any time.</p> <p>Members discussed lessons learnt from the first year and the impact of the Advisory Board.</p> <p>The Chair thanked SW for her report and attendance.</p> <p>[Sara Woodward left the meeting at 10.05am]</p> <p>Members agreed that the breach and risk should be flagged as a concern to the Full Governing Body. Governors expressed concern as to how they would know issues in teaching and learning and how this is best reported at a strategic level.</p>	Chair
6	<p>Internal Audit report - Yarrow Hotel Audit Assurance</p>	<p>[Derek Reed joined the meeting at 10.10am]</p> <p>Wilkins Kennedy were asked to review the recommendations on governing the Yarrow Hotel and assurance on the level of risk. Members were unsure how the original decision to operate as one entity was arrived and the Clerk will look into the original approval in the minutes. Derek Reed led members through the report and the advantages and disadvantages of the options.</p> <p>Members agreed it would be worth revisiting the structure in the next year following the post opening report identified in the internal audit plan.</p> <p>The presentation of the accounts was discussed and members would expect to see a separate and detailed report on the trade of the Yarrow within the commercial area of the management accounts given the level of risk.</p> <p>The Chair thanked DR for his report and attendance.</p>	Clerk

		[Derek Reed left the meeting at 10.40am]	
7	College Performance Indicators	CL reported against the CPIs relevant to the Audit Committee with Health and Safety being within tolerance and the number of audit points outstanding being challenged at any point in terms of how mitigating actions are handled by the College. PS commented that the ILR audit points will remain until the College is satisfied that issues are being dealt with and the spot checks cross College by Managers has focused the mind. With the baselines now being accurate for staff absence rate the College is now on target to remain within a comparable cumulative absence rate for the sector.	
8	Risk, Audit and Compliance Committee Report	Members reviewed the risk, audit and compliance minutes and were satisfied that the key College issues are being addressed in this forum.	
9	Risk Management Report	<p>Following the last Full Governing Body meeting it was agreed that a working group will be formed to look at the risk register. Audit Committee discussed the role of audit in being assured the systems and controls are in place to manage the risk and the risk register being a usable document for management. The risks need to link to the high level strategic performance of the College.</p> <p>AGREED - Audit Committee endorse and recommend the review of the risk register for the next academic year.</p>	
10	Draft Internal Audit Plan 2016-2017 and Update against 2015-2016	<p>CL reported a saving of over £15,000 from the internal audit budget for 2015-2016 due in the main to the readiness review for Folkestone and Dover not being commissioned and the work on student data being superseded by the ILR audit earlier in the year. The Yarrow Hotel review would be moved to the next academic year. There is no suggestion to procure anything additional this year.</p> <p>The draft internal audit plan was discussed with the items identified agreed as priority and the inclusion of a further Yarrow review including the corporate structure of the business, key financial controls and procurement. A review of the Technical School to be considered following any Ofsted visit and subsequent recommendations.</p> <p>RECOMMEND - The Internal Audit plan 2016-2017 is brought to the Full Governing Body for formal approval.</p>	Agenda

		A Governor inquired about disciplinary action in regards to cash handling across the campuses; CL advised that the cash handling procedures have been recently reviewed with a greater move to cashless vending and online payments to mitigate the risk however overall this has not proved to be a major concern for the College.	
11	Buzzacott Terms of Engagement	As a result of the new College accounting framework coming into force this year Buzzacott need to update their engagement letter with the College. The Audit Committee reviewed the terms of engagement and recommend that this be duly signed by the Chair of the Governing Body. RECOMMEND - The Buzzacott Terms of Engagement be signed by the Chair of the Governing Body	
12	Financial Regulations Update	The College's Internal Auditors made a recommendation that the College's Financial Regulations contain a section mirroring the Depreciation Policy as stated in the Financial Statements and also recommended the re-naming of one section relating to the control of stock. There has also been some minor changes in regards to updating job titles within the document. The Audit Committee reviewed the financial regulations and will recommend the changes to the Full Governing Body for approval. RECOMMEND - The updated financial regulations be approved by the Full Governing Body CL noted that there may be some amendments following the opening of the Yarrow and would keep members informed if any changes would need to be made.	
13	Draft agenda for the next meeting	Governors agreed the draft agenda for the November meeting. The development session was agreed for PS to lead on the new Risk Management Report.	
14	Any Other Business	Members discussed the risk to the College following the EU referendum on 23 rd June and the impact this may have for FE.	
15	Date of Future Meeting	The cycle of meetings is to be agreed at the next Full Governing Body meeting however members agreed that a Tuesday morning at Discovery Park is the most convenient time.	

There being no further business the meeting closed at 11.34am

Signed: Position: Date: