

**The College of West Anglia  
Minutes of the  
Audit Committee  
24 March 2021  
9.30 am  
Remote Meeting – Microsoft Teams**

<b>Present</b>	Gill Rejzl	Governor (Chair)
	Mike Andrews	Governor
	Dave Clark	Governor
	Rebecca Hamilton	Governor
	Lucy Nethsingha	Governor
	Carolyn Rand	Governor
<b>Attending</b>	Paul Harrison	Vice Principal Corporate Services
	Virginia Grace	Head of Finance
	Stephen Halls	Clerk to the Corporation

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**1 Committee Members' Briefing with Auditors**

*See "Confidential Minutes – Restricted"*

*Paul Harrison and Virginia Grace joined the meeting at 9.33 am*

The Chair welcomed both Carolyn Rand, recently appointed as a new Governor to the Board, and also Virginia Grace, the College's new Head of Finance, to their first Audit Committee meeting. Introductions were made of everyone present.

**2 Apologies for Absence**

There were no apologies for absence received.

**3 Declaration of Interests**

No interests were declared.

**4 Minutes of the previous meeting – 25 November 2020**

The minutes of the meeting held on 25 November 2020 were reviewed and agreed as being an accurate record.

## 5 Matters Arising

Item 7, 24/6/20 – Key Financial Controls 2019/20 – Governors asked what the new levels of purchasing authorisation were. The Vice Principal Corporate Services would circulate these following the meeting. The Chair asked for the financial regulations to be updated with the new levels. **ACTION-VPCS**

Item 9, 25/11/20 – Risk & Internal Controls – Governors asked if the desk-top exercise following the evacuation incident on 9/11/20 had been carried out. The Vice Principal advised that a date was still to be set for this. This item would remain outstanding.

Item 11, 25/11/20 – External Audit – Governors asked why KPMG had not been able to provide information regarding pension scheme intelligence and benchmarking data. The Clerk referred to KPMG's response that this data was not collected, although should any data or intelligence become available then KPMG would present it for review.

Item 17, 25/11/20 – Funding Audit – Governors asked for an update on this. The Vice Principal advised that this had been included in Item 7 on the agenda – Risk & Internal Controls Update; an auditor had been appointed, although a date for the actual audit was still to be set.

The Chair asked The Vice Principal Corporate Services to provide updates to the Committee on the various issues currently in-hand:

- i. Health & Safety – The Health & Safety Committee had met the previous day (23/3/21). The number of accidents/incidents had been low over the last 12 months, reflecting the fact that on-campus activities had been very much reduced due to the pandemic, noting that one accident within welding had occurred, with no ongoing concern. With staff members working from home, a concern had been raised relating to the availability of trained fire marshals on the campuses. The proposal was to train all staff and that in the event of an alarm, one member of staff in each area would take charge. For clarity, relevant procedures would be updated accordingly.
- ii. Cyber security was becoming an issue across the sector, with 2 colleges within the region having experienced recent attacks. The Chair asked if the attacks were external or by students within the respective colleges; the Vice Principal was unsure. This matter would be added to the Risk Register. Insurance cover had been increased due to this threat. The Vice Principal explained that the library system was attacked 12 months' previously and was resolved with no impact. A recent review by JISC was positive, although a number of implications had been identified. Governors asked if the Committee should have been given the chance to read the JISC report and if the Committee should monitor the proposed actions. Governors considered that additional, external specialists may need to be engaged to support the work already being undertaken by the College and its IT provider, RM. The Vice Principal would ask both the Head of Funding & Exams and RM to prepare a joint report for the next meeting. The Chair asked for the report to be presented in a style that was easily understood by the reader, with an executive summary to support the JISC report. Further, the report should clearly identify areas of concern with proposed actions listed, those already taken, and those still to address, and should set out how this threat would be managed going forward as the College reviewed its future IT provision. **ACTION-VPCS**

The Chair asked for this report to be put at the beginning of the agenda of the next meeting. **ACTION-CLERK**

- iii. Risk Workshop – the Vice Principal would be looking to run a workshop in the summer term, exploring risk appetite across the College. **ACTION-VP CS**
- iv. Covid-19 – to date, circa 6,500 lateral flow tests had been carried out across the 3 campuses with only 2 positive tests being returned, resulting in a small number of students having to self-isolate for 10 days. Once students had had 3 on-site tests, they would be given home testing kits for them to use themselves. Approximately 30 temporary staff had been engaged to manage the on-site testing.

**The updates were noted.**

## **6 Review of Risk Register**

Governors referred to Risk 2020 (3) Fraud, and asked why the mitigation for the Anti-Fraud Policy was still highlighted as 'Red.' The Vice Principal explained that the policy was still awaiting final review and publication, but once this had been completed the indicator would move to 'Green.'

Governors reviewed Risk 2018 (1b) Nursery and asked if the risk rating should be amended, acknowledging that the judgement of Ofsted could be unpredictable, despite the many actions taken to improve the performance of the nursery. Governors noted that training for nursery staff would continue and that all but one of the mitigations in place were graded 'Green' and that perhaps the scoring for 'Likelihood' needed to be reviewed and reduced. The Vice Principal considered that even when a number of mitigations were in place, they did not always succeed in reducing scores for Impact and Likelihood. The scoring of risk would be considered during the risk workshop. Governors commented that there was no particular member on the Board with nursery provision experience. The Chair asked the Vice Principal to review the mitigations for the nursery risk, to consider if they were the correct actions to address the risk or if indeed, they required changing, if completed actions were not resulting in reduced risk. **ACTION-VP CS**

The Chair referred to Risk 2018 (5) Apprenticeships, noting that this was currently an area of concern for the Board, both operationally and financially. The mitigations were rated as 'Green;' No updates since the last review had been included. The Chair considered if management and/or the Board were too passive when addressing this particular risk. Governors noted that both the ability to recruit apprentices and the ability to recruit/train suitable staff were a concern.

The Chair advised that against Risk 2018 (9b) Safeguarding, both she and the Safeguarding Link Governor, Sharon Cambridge, were currently working with Paul O'Shea (Designated Safeguarding Lead) to review the Terms of Reference of the Safeguarding Board and to improve the standard of reports it receives and its overall monitoring and effectiveness, and asked for this to be noted in the comments against this risk. **ACTION-VP CS**

Risk 2019 (1) HE Student Complaints – the residual risk rating was at 'Green' with all mitigations also rated as 'Green.' Governors referred to the recent Student Governor report that had been presented to the Board (17 March 2021) which detailed a number of issues/concerns raised by HE students which could potentially escalate into formal complaints. The Clerk reported that the Performance Review and Quality Committee would be reviewing HE at its next meeting on 28 April 2021. The Vice Principal advised that at the time of the latest Risk Register review the Student Governor's report had not been presented, however, the comments from that report would be considered during the next review of this particular risk. It was suggested that this risk be rearticulated to cover informal HE student feedback in addition to formal complaints, to avoid any potential for false assurance concerning HE student satisfaction levels. **ACTION-VP CS**

Risk 2020 (2) Covid-19 – Governors asked for this risk to include on-campus and home testing within the mitigations, and to include in the commentary details of the concerns of home testing not being carried out correctly or in a timely way by staff and students. The Chair noted that concerns regarding attendance and the use of IT and remote learning should be expanded in the comments.

**ACTION-VPCS**

The Chair reviewed Risk 2020 (1) Loss of Market Share and asked for comments to be included in the next review.

**ACTION-VPCS**

**The Risk Register was noted.**

## **7 Risk & Internal Controls Update**

The Vice Principal provided updates on various matters:

- i. Legal Claim – *This item was deemed 'Confidential.'*
- ii. Apprenticeship Funding Audit – the Vice Principal reported that SRF Consultancy had been appointed to carry out this audit. Governors asked about the selection process. The Vice Principal advised that both the College's internal and auditors were considered, along with SRF Consultancy following recommendations received from other colleges. The recommendations noted that SRF had previously offered more than the usual audit report, and included good commentary on advisory matters and guidance. Governors asked if the Committee should have been involved in the selection process. The Vice Principal could not recall, but apologised if this was the case. The Chair asked for the standing orders to be reviewed and, for future consideration, whether a specialist member of the Committee should be involved in future appointments for audits outside the scope of the Internal Audit programme.

**ACTION-VPCS**

Governors asked what the timescale was for the completion of this audit. The Vice Principal advised that it would be carried out shortly after the Easter holiday period.

The Chair asked for the audit specification and terms of reference to be circulated to committee members.

**ACTION-VPCS**

- iii. Significant Changes to the Risk Register – Staffing – Governors noted the difficulties of staff recruitment when salary budgets were limited, especially when competing against commercial salaries. The Vice Principal said that other aspects of the employment package might be emphasised, such as holiday allowance and pension scheme. 'Golden Hellos' were sometimes offered, but were not often successful in retaining staff. The Chair mentioned the job evaluation process for support staff that was currently underway and the need to offer the correct salary in order to recruit suitably qualified staff. The Vice Principal would share comparative salary data between FE teachers and school teachers, noting that the recruitment of maths teachers was particularly difficult for FE colleges.
- iv. Loss of Students/Market Share – Governors noted the risks with regard to the CITB site and the vocational training centre at Chatteris. The Chair noted the importance of reflecting this in the Risk Register.

**ACTION-VPCS**

**The updates were noted.**

## **8 Review Progress on Implementing Past Approved Audit Actions**

Governors asked if update number 2, relating to the Funding Assurance audit had progressed; the Chair added that it was not clear if the 15 outstanding apprenticeship queries was a quantity to be concerned about. The Vice Principal advised that the levels reported were in line with sector norms and accepted that the terminology within the report was perhaps not clear. The Head of Finance would ensure that the issues mentioned would be followed up.

The Chair reviewed update number 4, debt recovery, and asked for an update. The Head of Finance explained that the draft procedure was still awaiting review; the recent anticipated meeting had been postponed to after the Easter holiday period.

An update for item 5, customer relationship management system was requested. The Vice Principal advised that no progress had been made. It was anticipated that following the College's leadership team restructure, actions would progress.

The suggested reporting variance value of £50k by KPMG within the management accounts was queried (page 46 of the pack) with governors asking if perhaps a percentage variance would be more appropriate. Governors considered what could be a reasonable and sensible level for management accounting purposes. The Head of Finance would review the current level.

**ACTION-HoF**

The Chair asked for a review of the comments on the current outstanding matters, some of which were considered defensive of current practices, whereas perhaps they should be more open to review and accepting of the need for a positive change. The Committee acknowledged that the defensive comments referred to were legacy comments, rather than the commentary / opinion of the recently appointed Head of Finance. The Head of Finance undertook to review the current matters and comments.

**ACTION-HoF**

**The report was noted.**

## **9 Review of Contracts Register, Waivers & Debt Write-Offs**

It was noted that line numbers against the table for the listing of contracts, previously requested, were still missing. The Head of Finance would correct this for the next meeting. **ACTION-HoF**

The Chair asked about the rationale in rolling over contracts and how value for money was assured in those circumstances. The Vice Principal explained that only low value contracts were rolled over, and in those instances, 1 quote was obtained in advance and reviewed. For some areas of activities, such as lift maintenance, contracts allowed for only specialist suppliers / companies to be engaged, otherwise warranties would become invalid.

Governors noted the number of IT related contracts with a total annual value of almost £1.1m.

Governors asked about the financial thresholds for waivers listed in section 6 of the report, and if the value of the order/contract quoted represented the total contract cost, or the annual equivalent cost. The values quoted in the report related to the total contract price (not the annual equivalent).

Governors were interested to know more about vehicle leasing. The Vice Principal reported that a number of vehicles were leased, such as minibuses to transport students to educational visits

and between campuses. Staff made use of vehicles when moving between campuses during the day.

Governors asked about the number of debt write-offs, noting the small values involved and asked what these related to. The Vice Principal advised that these related to elements of the fees charged to students, such as course materials and educational visits.

**The report was noted.**

## **10 Student Union Accounts 2019/20**

There were no questions raised on this report. The Chair repeated the similar comment made the previous year that the unspent funds should be used for the benefit of the students.

**It was proposed by Mike Andrews and seconded by Dave Clark that the Committee recommends the approval of the Student Union 2019/20 accounts by the Board. This was agreed.**

## **11 Fraud: FE Sector Issue and CWA Issues/Concerns**

The Chair commented that the Vice Principal would be adding a redress policy statement into the Anti-Fraud Policy in due course. **ACTION-VP**

The Vice Principal advised that the College Leadership Team would be reviewing the policy after the Easter holiday period, when it was anticipated that the policy would be finalised.

The Committee noted that it agreed with the direction of travel of the policy, subject to the redress policy statement being included.

**The report was noted.**

## **12 CWA Publication Scheme (FOI) and Guidelines**

Governors were interested to know how confidential and sensitive information was handled with regard to the publication scheme and freedom of information requests. The Vice Principal advised that such information could be withheld from publication or inclusion in any information provided and that a number of exemptions were listed within the scheme to provide privacy for individuals and for commercially sensitive reasons.

The Chair commented that, in the spirit of openness, more information could be provided free of charge on the College's website, and was concerned about the charge of £25 for the supply of any paper-based reports. The Vice Principal would consider the comments for the next review. The Chair continued that the College should also consider how it would supply such information to non-English speaking people or to those with sight/reading difficulties. **ACTION-VP**

The Vice Principal reported that the number of requests was low. Freedom of Information requests tended to be of a commercial nature, with one or two requests relating to press articles.

**It was proposed by Lucy Nethsingha and seconded by Rebecca Hamilton that the Committee approve the CWA Publication Scheme, subject to the changes relating to roles and responsibilities as listed within the report being updated, along with information to be supplied outlining how requests would be processed for non-English speaking individuals or those with sight/reading difficulties. This was agreed.**

### **13 Governors / SMT Expenses Annual Review**

Governors noted the expenses incurred during the 2020 calendar year. There were no comments or queries raised.

**The report was noted.**

*Dave Clark temporarily took the Chair at 11.18 am*

### **14 Gifts & Hospitality Register – Review**

The Clerk explained the process for notifying and recording gifts received by College staff, management and governors. Details of the regulations regarding gifts were supplied as an appendix to the report. A listing of the gifts recorded in the register since 2018 was also supplied in the report.

*Gill Rejzl re-took the Chair at 11.22 am*

Governors discussed if there would be a benefit for all gifts to be recorded, in order to monitor trends or to identify gifts being received on a regular basis from the same individuals. Governors agreed that it would be difficult to manage the policy in this way and that staff should be trusted to report gifts as was currently required.

It was agreed that gifts of cash and/or vouchers should be refused. Further, any gifts which were offered, but refused due to the policy regulations, should also be recorded in the register. The Clerk would make the amendments in the next review of the regulations. **ACTION-CLERK**

**The report was noted.**

### **15 Whistleblowing Policy - Review**

The Clerk advised that the Whistleblowing Policy was due for its biennial review. The recent review by managers found that no changes were necessary; however, since the review, and prior to this meeting, it had been noticed that 'Age' ought now to be included within the protected characteristics listed on the first page of the policy.

**It was proposed by Mike Andrews and seconded by Rebecca Hamilton, that, subject to 'Age' being included with the listing of protected characteristics, the policy be recommended to the Board for approval. This was agreed.**

### **16 Committee Performance, Terms of Reference and Future Business Agenda Plan**

The Committee commented that meetings had been expertly chaired over the past year and thanked Gill Rejzl for her work in preparing for the meetings and leading the Committee.

The Committee reviewed the committee review proforma as prepared by the Clerk and concluded that it provided a fair and accurate summary of the committee's performance during the past year. However, with regard to 1e) review of the audit plan, it was felt that consideration was not given to risk register, due to the relatively narrow scope of the current Internal Audit contract, and so this box should be ticked as 'No.' The Clerk would make the adjustment.

**ACTION-CLERK**

The Chair highlighted section 1j) regarding Risk, noting the improvements and increased scrutiny in risk and assurance monitoring and associated discussions over the past year.

Governors questioned whether the Committee was made fully aware of audit requirements, as mentioned in 1L). The Chair advised that as part of their technical reporting, KPMG reported to the Committee, and to the Board, the latest requirements imposed by external agencies, such as the ESFA.

The Terms of Reference were reviewed. The Chair noted an error in that both committee membership and quorum were stated as being 3 members. The Clerk advised that the committee membership should be a minimum of 6 members and would arrange for the terms of reference to be corrected. **ACTION-CLERK**

**It was proposed by Lucy Nethsingha and seconded by Dave Clark for the Terms of Reference, subject to the change detailed above being made, to be recommended to the Board for approval. This was agreed.**

No changes to the proposed future business agenda plan were required.

## **17 Any Other Business**

There were no items of other business.

## **18 Chair's items for briefing to the Corporation**

- Extensive work on the review of risk and the risk register;
- Discussion on issues around the growing risk of cyber security;
- Review of the continued progress on outstanding actions from previous audits;
- Review and recommendation to the Board of the Student Union Accounts for 2019/20;
- Review and approval of the CWA Publication Scheme (FOI) and Guidelines, noting the request for the more information to be made available on the website, how information would be supplied to non-English speaking people and to those with sight/reading difficulties, and the fee charging element to be reviewed in due course;
- Review of the Gifts & Hospitality register, noting the recommendation that cash and vouchers should not be accepted, and that any gifts refused should also be recorded in the register;
- The Whistleblowing Policy had been reviewed, with one slight amendment, and would be recommended to the Board for approval;
- Committee performance review with one correction to the terms of reference;
- Consideration of the audit plan for next year, to be finalised at the next meeting;
- Review of the performance of the auditors, with a recommendation to the Board of the continued appointment of both KPMG and Scrutton Bland.



**19 Date and time of next meeting**

Wednesday 23 June 2021 at 9.30 am

**A1 Evaluation of Performance of Internal and External Auditors**

*This item was deemed "Confidential - Restricted."*

**A2 Audit Plan 2021-22**

The Vice Principal outlined the previously agreed plan of action with Scrutton Bland to review the core financial areas over a 3-year period. The Head of Finance advised that she had been in discussions with Scrutton Bland the previous week and that plans were now being finalised for the next audit visit.

The Chair commented that there was a need to broaden the scope of the plan to cover areas where the Committee may wish to commission additional reports. The Chair noted her concern that audits had been arranged (apprenticeship funding and IT cyber security) without input from the Committee. The Vice Principal advised that he would allow for this in the draft plan to be prepared for the next meeting, adding that additional audits could always be arranged as and when issues or concerns arise.

The Chair thanked everyone for attending and for their input and contribution to the meeting.

**The meeting closed at 11.49 am**