

4. **Committee Membership**

The Chair updated the Committee in terms of the concern about there being insufficient members and raised the importance of good coverage and attendance for a quality debate. Staff governors or those governors that are a member of Business Services Committee should not be members of this Committee. The Search and Governance Committee will be discussing options at its next meeting on 18 March 2019 and will make a recommendation to this Committee.

Governors noted that Michelle Pugh had resigned from the College Board and expressed thanks for her contribution to the Committee.

The Committed noted the update

5. **Risk Management Update**

5.1 Risk Register (February 2019)

The Vice Principal, Finance and Business Operations updated governors on the amendments to the risk register which had been reviewed by SLT on 25 February 2019.

Referring to the risk comparator, the Committee noted that there is one additional risk although the overall risk profile had reduced.

The Committee thanked the Vice Principal for his thorough explanation and reassurance that where the College has control, mitigations are being implemented appropriately.

The Committee voted to recommend the risk register to the Board on 3 May 2019

Clerk

Unanimous

Rob Woodger, Head of Construction joined the meeting for item 6.1 only

6. **Internal Audit Reports**

6.1 **Construction Department Review**

The Chair invited Tiaa to present the Construction Department internal audit report that had been circulated with the papers.

There was some discussion relating to a discrepancy identified between course attendees shown on the MIS and actual attendees. Furthermore, some invoices were unable to be traced. Two recommendations had been made and had since been implemented.

Governors sought clarification of how invoices are generated. Duplication had been noted at the beginning of year where the Faculty Coordinator and

the finance team were both raising invoices. The process had been streamlined, however the Faculty Coordinator may not have been fully informed of the change in process. Training has taken place and checks had been built into the process. Reconciliations ensure the college is confident that the income is correct.

The Principal acknowledged that the college now has a heightened recognition of the importance of the Faculty Coordinators and a peripatetic coordinator had been appointed to build resilience. The Vice Principal advised that the resultant updates to the finance procedures will be presented to the Business Services Committee.

Other procedures had been implemented to satisfy further minor issues raised.

The Committee noted the report

Mike Blakeley, Director of Apprenticeships and Toby Coombes, Director of Finance, Funding and MIS joined the meeting for item 7.1 only

7. Education and Skills Funding Agency (ESFA) Reports

7.1 ESFA Funding Audit

The final report from the ESFA had been received and had been circulated with the papers.

The full funding audit was the first the college had experienced in ten years and unusually resulted in a refund to the college of £12k. The Principal acknowledged the impact the funding audit had on resources and commended the Director of Apprenticeships and the Director of Finance, Funding and MIS for their collaborative working and diligence throughout the process.

The Director of Finance, Funding and MIS explained that the scope involved auditing £31m of spend over five elements. Initial observations suggested that the duration would be one week. However, the final time taken was one month and involved examining vast amounts of data during the busiest time of the year for the departments involved.

It was noted that most areas identified were minor points of detail; changes to wording used and conflict with guidance, although it was accepted that this is complicated by the existence of six different funding guidance documents.

The Committee challenged an underclaim involving nine learners incorrectly recorded as having one planned hour of learning. It was explained that the nine learners involved arrived for the first day of college but then did not return and did not in fact do any learning activity.

The Committee thanked all involved in the audit, the result was extremely positive and it is pleasing to note that the college operates effectively and claims are made with integrity.

The Committee noted the report

8. Internal Audit Action Plan

8.1 Progress Update

The Committee noted the progress update report that had been circulated with the papers. The dates and scopes for the remainder of the audits had been agreed and will be completed by the end of the year. There was some uncertainty as to whether the subcontracting audit will be required, the college will advise Tiaa in due course. Tiaa confirmed that they have sufficient resources to complete the plan.

The Committee requested an updated in terms of the HR system, which was out of date by several versions. It was confirmed that a replacement system is being sought which will be presented to the Committee for approval.

The college will be re-tendering for insurance this year, which should reap a saving.

The Committee noted that the new Data Protection Officer, Martina Esser is progressing with GDPR compliance and 60% of staff have completed the online training package. It was suggested that Martina attends the next Committee meeting.

The outstanding actions in terms of the apprenticeship levy is complete, new actions from the construction review are almost complete and actions continue to be developed for ICT cyber security.

The Committee noted the report

9. Review of Performance of External Auditors 2017/2018

The annual review of Bishop Fleming, the external auditors was considered. The Vice Principal, Finance and Business Operations introduced the report and confirmed that the auditors are providing a good service and the consistency of staff with sector knowledge is helpful. The college has no issues with any of the points raised in their report.

The Committee was asked to approve the appointment for a further year, which is the second year within a five year contract.

The Committee to recommend the reappointment of Bishop Fleming (for the 2018/2019 financial year) to the Board for approval on 3 May 2019.

Clerk

Unanimous

10 **Reporting and future planning**

10.1 Items to take to Board

The Committee agreed to take the following items to the Board:

- Risk Management update for agreement
- Reappointment of the external auditors for approval
- ESFA Funding audit for update. The Director of Apprenticeships and the Director of Finance, Funding and MIS to be invite to the next Board meeting lunch

Clerk

10.2 Items for next meeting

The Committee reviewed the cycle of business for the 10 June 2019 meeting and agreed on the following additional items to be included on the agenda:

- Internal Audit reports from Tiaa
- External Audit plan from Bishop Fleming
- Deep Dive into HE Funding

Clerk

10.3 Risk Register review.

The Committee reviewed the risk register in the light of the meeting and agreed that no changes were required.

11. **Dates of Next Meetings**

Monday 10th June 2019 (*apologies received from JC*)

Monday 16 September 2019

Monday 18 November 2019

Monday 9 March 2020

Monday 15 June 2020

Clerk