

Present: Mel Allcott, Richard Reece

In Attendance: Ruth Taylor (Clerk), Barbara Clements (Finance Manager), Ed Senior (Deputy Principal) and Michael Kitcatt (Principal), Paul Oxtoby (RSM external audit), Carole Liddle (Kendall Wadley) and Sarah Morley (Kendall Wadley).

1. **Apologies:** Mike McCreedy. The Committee noted that the meeting was inquorate but determined that since it was an advisory committee it would proceed to consider the items of the agenda.
2. **Consultation session**
A confidential minute on the discussions held is available for those governors entitled to see it.
3. **Standing Items:**
 - (i) No declarations of interests were received.
 - (ii) No items were identified as confidential to the Governing Body.
 - (iii) The Principal gave notice of an urgent health and safety update in relation to the College premises. The Committee **agreed** to discuss this under item 7.

ITEMS FOR DECISION

4. **Minutes: 22nd March 2017**
The Committee **approved** the notes of the meeting held on 22nd March 2017. The Committee **noted** the information provided. The action points and outstanding actions had all been completed or were on the agenda.
5. **Audit Reports**
 - (i) Learner Numbers
The Deputy Principal reported that he had been cautiously positive about the experience of the recent Learner Number audit. The auditors had explained their findings before they left and hoped that these would be reflected in the draft report. The Committee **noted** the information provided. The Committee **agreed** that the report, once available, should be considered by both the Local Governing Body of Worcester Sixth Form College and the Audit and Risk Committee of Worcestershire Learning Trust.
 - (ii) Key Financial Controls – spring term
Kendall Wadley presented the spring term Key Financial Controls report and explained that the audit had focused on trial balances, budget controls, expenditure and creditor reports. The auditors said they were pleased to report that there was one medium and four low priority actions identified with recommendations made.

Kendall Wadley reported the following:

- The medium priority action related to the process whereby the Cafeteria Manager purchases goods using a College credit card which presented an ongoing potential for financial risk. A member of the finance team reviewed expenditure and investment on a monthly basis with the Finance Manager monitoring this.
- There had been a lack of clear cut off for the bank reconciliations and the Finance Manager had made adjustments in the management actions.
- Systems had changed in relation to petty cash.

The Finance Manager reported that Civica have delivered training and when the College academises the bank reconciliations would be up to date and tie up to the ledger. She added that staffing issues should soon be resolved.

The members of the Committee received Kendall Wadley's report and **noted** the information provided.

(iii) Key Financial Controls – summer term

Kendall Wadley presented the summer term report and explained that the audit focused on trial balances, income and debtors and payroll. The auditors reported that there had been good improvements in internal controls and they were pleased to report that one medium and three low priority actions had been identified.

Kendall Wadley reported the following:

- In relation to aged debtors there was concern about outstanding balances, however, the Adult Admissions Assistant was maintaining a spreadsheet in a separate system.
- Parent Pay transactions were not always entered on the same day which caused a difference but these could be traced back.
- Cafeteria till reconciliations exposed a number of small transactions over a three month period. A discrepancy over £5 had been identified and investigated by the finance team.

In response to questions Kendall Wadley advised that:

- It was preferable to repair the till and not rely solely on Parent Pay as the till acted as a good check.
- It was preferable to have the aged debtor records in one system as spreadsheets can be open to human error.
- The risk in reconciling purchase orders to ProSolution was one that was acceptable and when tested next term it should move to a low risk if it is balanced.

The Committee **noted** the information provided and thanked Carol Liddle and Sarah Morley for attending the meeting.

Carole Liddle and Sarah Morley left the meeting at 6.42 pm.

(iv) Audit Plan

Paul Oxtoby presented the RSM report in respect of audit and regularity and reported the following:

- At the point of conversion to an academy the College would not be a going concern which will need to be stated in the annual report.

- As the College would no longer be a separate entity it would not be required to publish accounts on the website and they would only effectively be submitted to the funding body.
- If conversion is delayed, the Funding Body's agreement will need to be sought in terms of the date for submission of the accounts and whether long or short accounts should be prepared. The Finance Manager raised her concerns at being able to meet deadlines if the date of conversion is delayed.

The Principal provided a relevant update further to a conversation he had with the West Midlands Academies Unit that day. It was reported that the Transactions Unit Finance Committee met on 19th June and there had been no objections to the application. The application would be considered further by an external Advisory Panel on 12th July. Ministerial sign off would be required, however, the Minister would be on holiday 20th July to 4th September and was unlikely to sign anything off during this period. The Principal had been advised, therefore, that the worst case scenario was that the date for conversion would slip to 1st October, although there was 'a glimmer of hope' for 1st September, but dissolution would definitely not happen on 31st July. The Clerk advised that consideration would be given to revising the agenda for the Governing Body.

There was some discussion about the implications of the delay on the year end accounts. Paul Oxtoby confirmed that if the 31st December deadline was missed, the College could be issued with a financial notice to improve, but the College will not exist. As the delay was not the fault of the College, it was suggested that the Principal should contact the DfE and ask for flexibility about the date for submission or at the least the date for end of year. Paul Oxtoby advised that the MAT would be a limited company and would need to comply with relevant financial requirements. He confirmed that the date of incorporation (9th March 2017) through to 31st August 2018 would be the first financial period to be reported on, however, the trading activity would only start on the date of conversion.

The Committee **noted** the information provided and thanked Paul Oxtoby for attending the meeting.

Paul Oxtoby left the meeting at 7.02 pm.

6. Finance Manager Report

The Finance Manager presented her report and highlighted key areas of interest. She reported that:

- Training would take place in August focusing on VAT recording and reporting.
- The College insurance company had offered to either meet to discuss the Disaster Policy or to review the document. The Principal expressed a preference for them to review the document in the first instance.
- The restructure of the Finance Team was in its final stages and she was confident that this would create more defined roles. The expectation was that two roles would be filled internally and one external appointment would be made.
- A cashless system would be introduced over the summer which would reduce the cash counting done by finance staff and facilitate more efficient working.

The Committee **noted** the information provided and thanked the Finance Manager for her report.

7. Risk

(i) Review Risk Register and Assurance Map

The Principal circulated a report which updated the Committee on the materials used in the College's cladding in light of the tragic Grenfell Tower fire. The Principal reported that the architect had advised that the cladding used on the College was made of steel not aluminium which has a higher

melting point and it was filled with more fire resistant materials. The Resources Committee had requested assurances about cavity barriers and the architect had confirmed that the College's cladding had no cavities. The Principal said that the insurers would be informed which would also be a source of external assurance. The Committee **noted** the information provided and considered the actions in the Fire Risk Assessment which had recently been updated.

In response to questions raised the Principal advised that:

- Whilst the cladding could be checked by a third party, the building was four storeys in height and had 4 main staircases which was very different to the Grenfell tower block. The ESFA was due to issue surveys to schools and colleges requesting information on buildings and fire procedures.
- When there had been drills or false alarms the building had been evacuated in less than five minutes.
- Every staircase had an evac-chair and learning support assistants were trained to operate them.
- Staff were allocated to sweep areas of the College for students who were not in lessons or communal areas e.g. toilets.
- A fire drill was scheduled to take place once a year.

The Committee **noted** the information provided.

Following a short debate it was **agreed** that:

- Consideration should be given to scheduling a second fire drill with one or two staircases blocked to replicate the possibility of an exit being blocked in the event of a fire.
- The Principal should write to parents to offer reassurances about the College's cladding.

The Clerk advised that there would be a new strategic risk register for the MAT Board and the Local Governing Body would also have a risk register.

(ii) Project ARGUS

The Principal reported that the police provided training in April in relation to responding to a terrorist attack. This was essentially a repeat of training provided in 2011, but some members of staff in attendance had not been present at the earlier training. SMT had subsequently reflected on the training and proposed minor changes to the Disaster Management Policy as a result.

There followed some discussion about lock down procedures and how such a situation would be communicated to staff. The Principal reported that the lock down signal is five short rings of the College bell. The Committee debated the best approach to take in a number of potential scenarios and the difficulties of this were acknowledged. It was suggested that consideration be given to a group messaging system e.g. Whatsapp, for all staff, however, the Committee was satisfied that the staff and student Gateway was an acceptable means of communication.

The Committee **noted** the information provided.

(iii) Draft Audit Plan 2017-18

The Committee considered the draft Audit Plan for 2017-18 and were minded to **recommend** the plan for approval to the Governing Body and the Worcester Sixth Form College Local Governing Body of the Trust.

8. Policy Reviews

Risk Management Policy: Members of the Committee were minded to recommend that the Risk Management Policy be approved without amendment as proposed and agreed to **recommend** that the policy is designated as a Trust level policy when the College academises.

Disaster Management Policy: Members of the Committee were minded to recommend that the Disaster Management Policy be approved with the minor amendments proposed. It was agreed to **recommend** that the policy remains a Worcester Sixth Form College policy when the College academises.

9. Closing Standing Items

- (i) Risk Management: Members of the Committee reflected on their debate and identified the risk of delayed academisation and the financial implications this had.
- (ii) Impact: Members of the Committee reflected on their debate and agreed that the scrutiny of College processes helped to ensure a quality provision for students. It was agreed that particular focus on fire safety would positively impact on the safeguarding of staff and students.
- (iii) Any Urgent Business: The health and safety update was considered under item 7(i).
- (iv) Date of Next Meeting: None.

10. Review of Internal Auditor's performance:

- (i) To consider Audit provision (LN) in 2016-17 and the re-appointment of ICCA for 2017-18
The members of the Committee were minded to **defer** consideration of this item pending consideration of the final report.
- (ii) To consider Audit provision (Audit and Regularity) in 2016-17 and the re-appointment of RSM for 2017-18
The members of the Committee were minded to **recommend** the re-appointment of RSM for 2017-18.
- To consider Audit provision (KFC) in 2016-17 and the re-appointment of Kendall Wadley for 2017-18
The members of the Committee were minded to **recommend** the re-appointment of Kendall Wadley for 2017-18.

The meeting finished at 8.00 p.m.

Signed..... Date.....
Mel Allcott (Chair)

AUDIT COMMITTEE: ACTION POINTS ARISING FROM MEETING OF 28TH JUNE 2017

Report Reference	Action Point	Person Responsible	Completion	Check
AC/28.06.17/2	Preparation of Audit Committee Annual Report.	BJC/MA	3.7.17	
AC/28.06.17/5(iv)	Consideration to be given to amended GB agenda due to delayed conversion date.	RET/JJP	4.7.17	
AC/28.06.17/5(iv)	Contact to DfE to enquire about flexibility for submission of year-end accounts.	MWK	July 2017	
AC/28.06.17/7(i)	Consideration to be given to scheduling a second fire drill to replicate the possibility of an exit being blocked in the event of a fire.	SMT	September 2017	
AC/28.06.17/7(i)	Write to parents to offer reassurances about the College's cladding.	MWK	July 2017	

ACTION POINTS BROUGHT FORWARD

Report Reference	Action Point	Person Responsible	Completion	Check
	None.			

ACTION POINTS COMPLETED

Report Reference	Action Point	Person Responsible	Completion	Check
AC/22.3.17/4(i)	Supply final version of autumn term IAS report	KW	March 2017	✓
AC/22.3.17/4(ii)	Final version of spring IAS report and review of previous recommendations	KW	AC 28.6.17	✓
AC/22.3.17/6(i)	Report back on Project Argus	MWK	AC 28.6.17	✓
AC/22.3.17/6(i)	Update RRAM to refer to Fire Risk assessment 2017	EYS	GB 5.4.17	✓
AC/22.3.17/6(i)	Report back on Insurers feedback on Disaster Policy	BJC/MWK	AC 28.6.17	✓
AC/22.3.17/6(i)	Report on any feedback received from experts on key policies	MWK	AC 28.6.17 and ongoing	✓
AC/22.3.17/6(ii)	Provide GB with completed Audit Plan 2016-17 plus costs for each review	MWK	GB 5.4.17	✓
AC/30.11.16/7(i)	Ask RSM what is meant by 'regularity enhancement'	BJC	AC 28.6.17*	✓
AC/30.6.16/10(i)	Investigate possibility of peer review audits for learner numbers	MWK	AC 28.6.17*	✓

* Denotes revised date.