

A/02/15/7 Reporting and financial reporting developments – updated SORP
Jenny Hill, Baker Tilly, did not provide an update at the December 2015 meeting. It was agreed that Jerry Loy should be asked to present a brief paper to the July FGB meeting. **Action: Clerk** to ask Jerry Loy and establish whether Baker Tilly have any central papers on SORP.

A/10/15/13 Bursary Audit

The Deputy Principal assured the meeting that the College followed procedures and this was confirmed by the subsequent audit.

There is little risk of reputational damage as the matter occurred in 2012 and the students subsequently achieved their qualifications.

A/10/15/18 Financial Regulations

It was **agreed that the Incoming vice Principal** would submit a paper to the September meeting. **Mazars agreed** to provide some standard College examples.

A/10/15/19 Monthly Accounts

The Interim vice Principal reported that the College is not yet using the fully integrated Aggresso management reports. Currently the College management accounts include a provision for accrued invoices but not purchase orders. This will not result in a bigger than usual year-end adjustment as the majority of outstanding purchase orders relate to either capital expenditure of property maintenance.

Tim Strickland of Shared Services in Sussex and Surrey Colleges (SISSC) will be attending the next Resources Committee and will provide an update regarding management reporting.

A/10/15/32 Internal audit KPIs

It was noted that improvements had been made and that responses for the Safeguarding and Sub-contracting reports had been met. **Mazars agreed** to ensure that reminders were sent out.

Item 6 Internal audit reports

A/02/16/8 Daniel Canham, Mazars, Internal Auditors, introduced the reports.

Item 6.1 Safeguarding

A/02/16/9 This was a good report with no recommendations and a substantial assurance rating. The principal author, Edward Simms, has undertaken safeguarding audits in a number of Colleges.

A/02/16/10 The Governors asked for confirmation that:

- i) The College policies included all items that they should and not merely that they were in place together with internal controls
- ii) That good practices from other Colleges had been considered during the audit

Mazars confirmed both points.

A/02/16/11 It was noted that there is a significant increase in mental health and homelessness issues for Colleges nationwide

A/02/16/12 It was confirmed that the College had made referrals regarding concerns under the Prevent guidelines. The College is not advised of the outcomes of these referrals.

Item 6.2 Subcontracting

A/02/16/13 The subcontracting audit replaced the scheduled Partnership audit. There are a number of crossover points and a subcontracting audit is a requirement of SFA funding and must be certificated by the SFA. The deadline of 31st January was met and the SFA have acknowledged safe receipt. The audit has been deemed satisfactory – satisfactory and not satisfactory are the only ratings available for this audit. The 3 recommendations are towards the lower end of requirements (housekeeping) and so using the Mazars levels of assurance, this report would be given a substantial assurance rating.

A/02/16/14 P6 of the report states that the College is looking to decrease sub-contracting from £7m last year to £6m this year. The reduction is to avoid over-reliance on this sector. However, the amounts reflect current market demands and continue to generate income for the College and, in particular supporting the Business and Marketing Team.

Mazars confirmed that Brooklands has good QA procedures. It was noted that the College turns away more potential sub-contractors (bids received £21m) than those which they contract.

It was confirmed that the College tendering process is good and more sophisticated than many other Colleges. The College meets regularly with its subcontractors which, reflects good practice.

It was agreed that the report would be tabled at the next Resources Committee for information purpose: **Action Clerk**

Item 6.3 Five Point Action Plan

A/02/16/15 This item was withdrawn from the agenda as the Management Response was not due until today. The Interim vice Principal was not happy with parts of the report. A conference call is booked for Friday lunchtime (4th February). It was agreed that the finalised report would be circulated by email before the March Governing Body meeting. **Action Interim Vice Principal and Clerk**

Item 6.4 Key Performance Indicators

A/02/16/16 The improvement in response times was noted. It was noted that the Finance Department had had to chase Mazars for their response.

Item 7 Internal Audit Progress Report

A/02/16/17 Mazars confirmed changes to the annual internal audit plan:

- i) Subcontractor audit had replaced Partnership audit
- ii) Risk audit delayed until later in the year

A/02/16/18 The Chair asked if any key issues or risks had been missed by undertaking the Subcontractor audit. Mazars responded that the Partnership audit has a wider remit than the Subcontractor audit. There are reputation and quality risks to be considered within the Partnership audit.

A/02/16/19 The Deputy Principal noted that Brooklands' success rates with Partnerships (notably Kingston and Oxford Brookes) is much higher than the national average. One of the Oxford Brookes' top engineering students last year was a Brooklands Student. The IQR review 2 years ago gave substantial assurance to the Partnership audit. Mazars to confirm the difference between a Partnership and Subcontractor audit and provide evidence that the controls are in place and working: **Action Mazars**

Item 8 Risk Management

Item 8.1 Risk Register

A/02/16/20 Many items have been considered elsewhere during the meeting. The Deputy Principal's post has been advertised and interviews will take place on 3rd and 4th March. There had been 150 hits on the website as of 2nd February.

A/02/16/21 The Area Based Review Update: The Principal advised the meeting that the College were advised yesterday that the Reviewers' visit would take place on 10th and 11th March. There will be two Reviewers, S. Hutchinson looking at Finance and Estates and P. Fry looking at Curriculum. There will be one to one meetings with the Principal and Chair of Governors. The Reviewers will meet with the Chairs of Committees as a group, with the Reviewers' overview expected by Friday afternoon.

SLT are currently populating the template supplied by the Review Team yesterday with a submission date of 26th February.

Little feedback is available from Phase1 of the Review where the timetable has slipped significantly.

The College anticipates the outcome will look to encourage further collaboration with the Surrey Colleges. Brooklands currently works collaboratively with regard to SEND, Apprenticeships, Marketing and English and Maths.

A "Travel to Learn" study has been commissioned by the Surrey Colleges which will provide significant data regarding the student population in Surrey. The report will identify Brooklands' students as a separate entity and as part of Surrey.

A/02/16/22 A discussion ensued regarding risk of the deteriorating estate at the Brooklands Campus and its subsequent grading. It was noted that there was greater confidence regarding the new build and refurbishment projects than the maintenance of existing stock such as Mansion House. Current indications are that there will be continuation of business and no detrimental effect upon the recruitment of students. It was agreed that this issue should be incorporated in the Property Strategy.

Item 8.2 Departmental Presentation: Curriculum Risk

A/02/16/23 The Assistant Principal gave a presentation outlining the risks associated with Curriculum at Brooklands. This is discussed at Heads of Department meetings and SLT. The 2 key risks are:

- i) Recruitment of staff to key curriculum areas
- ii) Provision of English and Maths – a major challenge for the sector

These problems are not unique to Brooklands, but a nationwide problem with the cost of housing in Surrey exacerbating the problem.

- A/02/16/24 Recruitment of teaching staff: The Government's "golden hello" for Maths graduates two years ago was not successful in recruiting and retaining good quality maths teachers in the FE sector. Brooklands is working to upskill its own staff and work with other Colleges to ensure the provision of teaching staff in key curriculum areas. The use of Agency staff has had mixed success and is expensive.
- A/02/16/25 Teaching assessments in 2015/16 are focussing on improving performance as opposed to measurement, focusing on certain individuals in need of support. The SLT have also seen very good teaching during their assessments.
- A/02/16/26 The changes to the examination structures, with an emphasis on final exams as opposed to a modular approach, is a challenge for both staff and students. The OFSTED criteria are also changing looking for value-added and measuring progression, which is difficult with final examination structures.
- A/02/16/27 Brooklands has 97% of students progression recorded. These records need verifying. Suggestion that a company is contracted to do this which would be cost-effective
- A/02/16/28 Work placements in particular areas such as media, continue to be difficult to arrange. Work-placements are a funding requirement and competition for places will increase with the Government directive for all 16-18 year old students undertaking some form of work placement during their studies.
- A/02/16/29 The maintenance of a strong safeguarding team is essential and is a stated requirement in the job descriptions of all new staffing posts.
- A/02/16/30 There is a risk that the building work may not be completed for the next academic year and may have an adverse effect upon student recruitment. There are no indications at this stage of either risks materialising, but these will be monitored.
- A/02/16/31 The meeting thanked the Assistant Principal for her incisive presentation. It was confirmed that the Assistant Principal reports to the Curriculum and Performance Review Committee and provides greater detail than that provided for the Audit Committee.
- A/02/16/32 The Chair noted that the score for English and Maths provision had remained the same, the risk being that teaching is delivered at a high enough level to increase success rates. The indications are that the College's strategies are working.

Item 9 Outstanding recommendations from Audit Reports

- A/02/16/33 The paper did not include all the latest updates, in particular regard to IT. **Action** Clerk to ensure all updates are included and circulated.
- A/02/16/34 A discussion ensued whether the 2013/14 items had been superseded by the 2014/15 recommendations, particularly where the context or processes had changed.

2013/14

It Security and Disaster Recovery – review of old service accounts: Item to be closed

2014/15

1 Estates and Facilities Management: CAFM system

The help desk is now live. The system needs to collate data over the next 12 months to enable the Estates and Facilities Team to use the planning tools within the system with confidence.

It was agreed that an overview of the CAFM system would be included in the Governors' IT training session on 18th May

2. IT Security and disaster recovery.

Encryption of laptops and portable devices used in potential sensitive areas needs to be undertaken

3. Tendering and Procurement

VFM Strategy – Group meeting set up

Item 10 Fraud

A/02/16/ No items to report

Item 11 Freedom of Information Requests

A/02/16/48 The Clerk reported that one request had been received from the staff union and that this had been responded to in accordance with statutory requirements and internal procedures.

Item 12 Chair's Business

Item 12.1 Review of committee business for emerging risks

A/02/12/56 There were no new emerging risks from the meeting

Item 12.2 Any other Business

A/02/16/ There were no items of other business

Date of next meeting

A/02/16/58 The next meeting of the Audit Committee is scheduled for 18 May 2016 at 8.00am.

Action Points

1. Pamela Lumsden of AOSSEC to be contacted to find out whether any other Colleges were looking to re-tender their audit provision and so undertake group interviews – **Deputy Principal**
2. Paper to September meeting re review of Financial Regulations. Mazars to provide some standard examples – **Incoming Vice Principal**
3. Subcontractor report to be tabled at the next Resources Committee for information – **Clerk**
4. Five Point Action Plan to be circulated by email before the March Full Governing Body meeting – **Interim Vice Principal and Clerk**
5. To confirm the difference between a Partnership and Subcontractor audit and provide evidence that the controls are in place and working - **Mazars**
6. Circulate updated version of outstanding audit recommendations - **Clerk**