



Wirral Met College has a vision to be an inclusive, outstanding college

**CONFIRMED MINUTES OF THE
AUDIT COMMITTEE MEETING
HELD REMOTELY ON 9th FEBRUARY 2022**

Present:	Lucy Barrow	Independent Governor
	Gary Baines	Co-opted Committee Member
	Joe McArdle	Independent Governor (Chair)
In attendance:	Sue Higginson	Principal
	Michael Norton	Deputy Principal
	Phillip Jones	Vice Principal - Quality
	Nikki Leising	Financial Controller
	Paul Haydock	RSM, Internal Auditor (minute 79 to 114)
	Ian Parkinson	Independent Governor (observer)
	Lesley Venables	Clerk to the Governors
	Louise Scott-Kelly	Administrator to the Governors

APOLOGIES FOR ABSENCE

79. There were no apologies for absence.

DECLARATIONS OF INTEREST

80. The following standing interests were declared:
- Lucy Barrow – on secondment to the Liverpool City Region Combined Authority.
 - Joe McArdle – any matters relating to the University of Chester and as a parent of a student who attends the College.

PRE-MEETING WITH AUDITORS

81. The Committee met with the Auditors in the absence of management and were advised that there were no issues that they wished to raise.

MINUTES OF PREVIOUS MEETING

82. **Resolved** That the minutes of the meeting held on 9th December 2021 be approved as a correct record and signed by the Chair.

MATTERS ARISING

83. Governors received a progress report on the list of actions from the previous meeting. The Clerk reported that the College had been in the process of purchasing the Education & Training Foundation (ETF) online Governor Development Programme, however, this had recently been temporarily withdrawn. Alternatives would be sought if this was likely to be a long-term problem.

INTERNAL AUDIT VISIT 2 REPORT 2021/2022

84. The Internal Auditor presented an internal audit report on Business Continuity Planning, the importance of which had been highlighted during the Covid-19 pandemic.

85. Examples of good practice and supporting documentation had been observed and this area had been assessed as providing a 'substantial' level of assurance. One low priority management action had been identified which recommended that the College's business continuity planning documentation should include:

- Actions for defined periods of business interruption;
- Periodic testing in relation to business continuity;
- Staff training in relation to business continuity;
- Details of alternative premises/accommodation.

86. A governor enquired about the periodic testing and the Internal Auditor explained that although the IT Disaster Recovery Operational Procedure detailed the testing process, it would be good practice to include information on the arrangements to periodically test the wider business continuity plans.

87. The Committee acknowledged the positive audit and thanked the Estates and IT teams for their ongoing work in this area.

INTERNAL AUDIT PROGRESS REPORT 2021/2022

88. Governors received for information a report on progress against the Internal Audit Plan for 2021/2022. Due to staff sickness, the Estates Management audit had been postponed. This meant that there were 4 remaining audits scheduled to take place by the end of the academic year, the outcomes of which would be reported at the June 2022 Audit Committee meeting.

89. The Audit Committee discussed potential areas for the 2022/2023 Internal Audit Strategy such as Space Utilisation, Quality of Delivery and Risk Management.

90. Finance was always a key area for the College and the Principal advised that a formal proposal would be presented shortly to the Governance & Search Committee, for recommendation to the Board, on the establishment of a Finance & Resources Committee.

91. At present, the Board reviewed the financial oversight and the Audit Committee received a cash flow statement to enable governors to fulfil their duty to monitor solvency levels, as well as reviewing the outcomes of the External and Internal Auditors' work. However, College governing bodies were increasingly required by the regulatory and funding bodies in the sector to have even greater levels of scrutiny of financial performance.

92. Therefore, it had been proposed that the Board should move away from the 'Carver' model of governance to a full committee structure. A Finance Committee would enable a greater level of scrutiny with governors fully utilising their specific knowledge and skills and would improve the Board's efficiency by enabling detailed discussion of financial issues at committee level. The full Board would continue to review and consider strategic planning and development.

93. It was noted that, in line with the Post-16 Audit Code of Practice, members of the Audit Committee would be ineligible to serve on the Finance and Resources Committee.

94. The outcome of the proposal would be reported at the next meeting.

95. The Principal and Senior Leadership Team would prioritise areas that had not been audited for some time and would discuss these with the auditors as preparation for drafting the Internal Audit Strategy for 2022/2023. This document would be considered at the Committee's next meeting.

INTERNAL AUDIT REPORT – CONFORMANCE WITH THE INSTITUTE OF INTERNAL AUDITORS (IIA) STANDARDS AND CODE OF PRACTICE

96. The Internal Auditor presented a report on the External Quality Assessment Outcomes of RSM. All audit firms were required to undergo an external quality assessment (EQA) every 5 years, the outcomes of which were summarised in the report.

97. The EQA included a total of 160 surveys which were shared with a cross section of RSM's clients and it was noted 91% agreed positively with the survey questions.

98. The audit had resulted in the highest audit opinion, namely that RSM generally conforms to the requirements of the International Internal Auditing Standards.

MANAGEMENT ACCOUNTS

99. The Committee received for information the Management Accounts as at 31st December 2021 to monitor the solvency of the College, in accordance with the Committee's terms of reference.

100. Due to the timing of the last Board meeting (14th December 2021), the previous set of management accounts received by the Board was to 31st October 2021. Following consultation with the Chair of the Board, it had been agreed that this information would now be outdated and the management accounts to 31st December 2021 were provided to the Committee. The Board would receive the management accounts to 31st January 2022 at its February meeting.

101. The College's finances remained in a positive position and the financial health assessment continued to be graded as 'Outstanding'.

102. A governor asked why the College may not earn the full amount of 16-18 year old income. The Deputy Principal explained that the funding was based upon the previous year's figure and that, historically, the College had been underpaid for the number of student enrolments. Management had negotiated with the ESFA and this had resulted in a significant increase to its 16-18 year old income. Although the College was currently ahead of the target for 16-18 recruitment, retention levels were lower than anticipated and had not met the re-negotiated target.

103. The Deputy Principal highlighted that securing staffing resource was a key area for the College at present. Recruitment across the FE sector was challenging, however, the newly appointed HR Director had streamlined and modernised the College's recruitment

processes to encourage more online applications, which had already proven to be effective.

104. The Deputy Principal reported that the College routinely and robustly monitored its finances and a paper outlining proposals for using the College's cash holdings would be presented to the Board at its February meeting.

RISK MANAGEMENT

105. Governors received for information an update on the College's Risk Register.

106. A formal review of the Employer Services department had been undertaken and although the quality of teaching and learning was observed as good, issues around the apprenticeship sign up paperwork and other administrative aspects had been identified.

107. An experienced interim manager was now in post and compliance with the sign up processes was more effective, with regular quality reviews taking place.

108. The Senior Leadership Team could easily track every apprentice and revised systems clearly monitored progression and identified issues at an earlier stage.

109. As a result of an internal quality review of Employer Services, the scores of the four risks associated with apprenticeships compliance had been reduced in the risk register. The Committee recognised the work that had been undertaken by staff to bring about the necessary improvements.

110. In response to a question about pay scales and salary levels on the Risk Register the Principal advised that a paper on the National Minimum Wage and Staff Remuneration Framework would be presented to the Board at its next meeting.

MONITORING OF PREVIOUS RECOMMENDATIONS

111. Governors received a report on the progress of the implementation of previous audit recommendations and the respective implementation dates. A total of 8 recommendations relating to Employer Services and Estates Management had been completed and there had been one 'low' priority action added as a result of recent internal audit work as reported earlier in the meeting (minute 85 refers).

ITEMS TO BE REPORTED TO THE BOARD:

112. The Chair summarised the main points of the meeting which would be reported to the Board at its meeting on 16th February 2022:

- Internal Audit report on the College's Business Continuity Planning graded as 'substantial' assurance
- External Quality Assessment Outcome of RSM presented for information
- Committee noted that a proposal for the establishment of a Finance & Resources Committee would be discussed by the Governance & Search Committee for recommendation to the Board.
- Management Accounts to 31st December 2021 received for information
- Update on the College's Quality review of Employer Services received

DATE OF NEXT MEETING 27th June 2022

A handwritten signature in black ink, appearing to be 'JME', written in a cursive style.

**SIGNED:
(Chair)**

Date: 27th June 2022