

**APPROVED BY THE CHAIR**

**THE CORPORATION OF EALING, HAMMERSMITH & WEST LONDON COLLEGE**

<b>Meeting</b>	Audit Committee
<b>Date and time</b>	5.30 pm, Thursday 27 June 2024
<b>Venue</b>	Virtual Meeting
<b>Members</b>	Rachael Fisher (Chair); Shawez Mir; Kunal Parkash
<b>In attendance</b>	Anil Nagpal (Chief Operating Officer); Maxine Deslandes (Director of Finance); Matt Fawcett (Deputy Principal (Planning, Partnerships & Projects)); Richard Ward (Director of Governance).  <b>Internal Auditor:</b> Paul Goddard (Scrutton Bland)  <b>External Auditor:</b> Shachi Blakemore (Buzzacott)

<b>No.</b>	<b>Item</b>
<b>1</b>	<b>Attendance &amp; apologies</b>  The Director of Governance noted that Suzanne Lyne would be appointed to the Board and the Audit Committee the following week.
<b>2</b>	<b>Declarations of Interest</b>  No interests were declared.
<b>3</b>	<b>Minutes</b>  <b><i>Resolved</i>, That the minutes of the meeting held on 8 February be approved.</b>
<b>4</b>	<b>Matters arising</b>  The Chair noted that two of the four matters arising from the previous meeting had been completed. A third was in progress and would be reported on as part of the internal audit tracker. The Chair asked that the Chief Operating Officer update the Committee on the implementation of the GDPR action plan later in the meeting.

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6	<p><b>Subcontracting</b></p> <p>The Deputy Principal (Planning, Partnerships &amp; Projects) spoke to the paper in his name on the College's subcontracting arrangements. He drew the Committee's attention to the Table showing the position at the R10 Individualised Learner Record (ILR) return. He reported that the College had achieved its objective of reducing the proportion of subcontracted delivery during 2023/24. The College had operated comfortably within the increased level of subcontracting approved by the ESFA, and planned to reduce this further in 2024/25. Two subcontractors (Learning Curve and BPP) had achieved or were on track to achieve their targets by the end of the year; a third (Integer) had pulled out in February on the grounds that they had not thought that they would be able to recruit sufficient learners. The Deputy Principal reported that this provision would be incorporated within internal delivery. Regular meetings with subcontractors continued to monitor performance closely. The Chair noted that the improvements to quality and performance on previous years were significant.</p>
10	<p><b>Internal audit recommendations</b></p> <p>The Chief Operating Officer spoke to the internal audit tracker, which had 49 outstanding recommendations. Scrutton Bland had reviewed and confirmed that 13 recommendations had been successfully implemented and 36 recommendations were still in progress. Of the 36 recommendations, the College thought that half were completed but this was subject to validation by Scrutton Bland. The Director of Finance drew the Committee's attention to the appendix of completed recommendations.</p> <p>A governor commented that several recommendations had due dates of June or July 2024 and asked what the status of those recommendations was. The Chief Operating Officer informed the Committee that the College was working hard to close as many of the recommendations off by the end of the year as possible.</p> <p>The Chair asked whether progress on closing off internal audit recommendations was linked to some internal audit assignments being deferred. The Chief Operating Officer acknowledged that capacity was a relevant factor, but that it was a challenging environment with many competing pressures. Paul Goddard commented that some audits had been started and then paused as a result of staff turnover or further information being required. The Deputy Principal added that frequent changes to funding rules increased the amount of work required as part of certain assignments.</p> <p>The Committee discussed the process for validating closed off recommendations, whether the process could be reviewed, and whether an interim update in August would be possible ahead of the September meeting. Following the discussion, it was agreed the September committee deadline would remain.</p> <p>The Chief Operating Officer updated the Committee on progress made against the recommendations of the GDPR audit. The College had made progress on</p>

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	<p>data mapping and data disposal. It was reviewing data sharing agreements and updating job descriptions to make responsibility for data protection clearer.</p>
<p><b>5</b></p>	<p><b>Risk management</b></p> <p>The Chief Operating Officer presented an updated strategic risk register, which now included 10 strategic risks, two of which were 'high', seven 'significant' and one 'acceptable'. The risks had all been reviewed, rescored and had the associated commentary updated since the last meeting. This had led to improved scores for three of the strategic risks, although this had not led to a change in the overall risk rating in all cases. The Chief Operating Officer reiterated that it continued to be a challenging operating environment for colleges. The Committee discussed the strategic risk associated with estates and the redevelopment of the Hammersmith site. The Chief Operating Officer noted that the arrival of new Directors of Estates &amp; Infrastructure and IT &amp; Digital Innovation had brought fresh pairs of eyes to the risks associated with two of the College's priority areas.</p> <p>The Committee welcomed the updated register and in particular the positive movement on scoring which was felt to be an improvement after the previous reassessment had not led to a change in scores. The Chair commented that this showed the impact of it being an active and considered approach to risk management within the College.</p>
<p><b>7</b></p>	<p><b>Fraud report</b></p> <p>The Chief Operating Officer informed the Committee that no instances of fraud had been identified since the last report.</p>
<p><b>8</b></p>	<p><b>Internal audit progress report</b></p> <p>Paul Goddard (Scrutton Bland) presented Scrutton Bland's internal audit progress report. He noted that the last couple of assignment reports for the year were with College management for responses and should be available in advance of the next scheduled meeting of the Committee in September. He added that the assignment relating to HR had been moved to 2024/25 at the College's request.</p>
<p><b>9</b></p>	<p><b>Internal audit assignments</b></p> <p><b><i>1. Financial planning</i></b></p> <p>Paul Goddard introduced the first assignment report on financial planning, in respect of which Scrutton Bland had concluded that there was strong assurance. He commented that financial planning was a tricky area to demonstrate strong assurance, but that Scrutton Bland was confident that the processes leading up to the creation of the current year's financial plan and the</p>

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	<p>in-year forecasting were both robust. One minor recommendation had been made on the visual representation of cashflow forecasts.</p> <p>The Director of Finance noted that the introduction of the College's new finance system created a good opportunity to improve aspects of financial reporting, including better visuals.</p> <p>The Chief Operating Officer welcomed the positive report which reflected the transformation of the College's financial systems and processes and that further improvements to reporting were ongoing. The Chair acknowledged the progress made and commended the finance team for this report.</p> <p><b>2. Payroll and sickness absence</b></p> <p>Paul Goddard spoke to the second assignment report on payroll, the scope of which had been expanded at the College's request to incorporate sickness absence. Scrutton Bland had found reasonable assurance in this area. The report contained three medium risk recommendations for the College to improve its practice across the two areas. Paul Goddard reported that management responses had been very positive, with many recommendations having already been implemented. The Director of Finance described some of the changes to College processes which had been introduced by HR in order to strengthen reporting on sickness absence.</p> <p><b>3. Learner numbers (funding assurance)</b></p> <p>Paul Goddard told the Committee that this had been a large piece of work which had taken a lot of time to conduct and review. The report followed up on a previous funding assurance report and also incorporated aspects of apprenticeship recruitment as well as a new funding assurance assignment. The report concluded that there was reasonable assurance in this area. Of 23 previous recommendations, 10 had been implemented, 10 were in progress and 3 had not been implemented, showing progress but not to the level where everything had been concluded and could be closed off.</p> <p>A governor recalled a previous learner numbers report and asked College staff how this report compared. The Director of Finance recalled the comments made by the Deputy Principal earlier in the meeting about funding change which made compliance a moving target. She reminded the Committee that recommendations were added to the tracker for the Audit Committee after the meeting at which the assignment report was presented. The Chair thanked Paul Goddard for a thorough report.</p>
11	<p><b>External audit recommendations</b></p> <p>The Chief Operating Officer spoke to the external audit tracker. The first recommendation related to the College's fixed asset register and the second recommendation related to the College's depreciation policy. He informed the Committee that action to resolve both recommendations would be concluded by the end of the financial year through the successful implementation of the College's new finance system. The Director of Finance added that the finance</p>

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	<p>system was going live on 1 July and was on track. She reminded the Committee that the College had a fixed asset register, but that it was manual and the new system incorporated a module which would be an improvement.</p> <p>The Chair asked how the implementation of the new finance system was progressing. The Director of Finance reported that the College had been parallel running the existing and new systems since Easter and that it had gone well thus far. The College was prepared for teething problems at the point of going live, but felt that it was in a good position. The introduction of the new system would offer efficiency gains which the College was keen to benefit from.</p> <p>Shachi Blakemore commented that Buzzacott would look carefully at the rollover of balances into the new finance system as part of the external audit in the autumn.</p>
12	<p><b>Internal audit plan for 2024/25</b></p> <p>Paul Goddard presented a draft internal audit plan for 2024/25 and invited the Committee's views and comments on the proposed programme of work. He explained that Scrutton Bland had conducted an initial mapping exercise of areas which had been looked at recently and the broader field of areas that the College could consider for review. This had been refined by College management and discussed between Scrutton Bland and the College. The proposed plan was balanced between several broad themes which covered the breadth of the College's operations.</p> <p>The Committee discussed the optimum timing of an assignment on the implementation of the new financial system. The Director of Finance commented that the period of parallel running had gone smoothly. A governor suggested that a post-implementation review conducted early in the new academic year would be a prudent step to take, but the Committee decided on balance that a review conducted later in the year had the potential to give greater value. The Chief Operating Officer drew the Committee's attention to several areas on the plan which had not previously (or recently) been subject to internal audit. The Chair emphasised the importance of the connection between the internal audit plan and the strategic risk register.</p> <p><b><i>Resolved, That the internal audit plan for 2024/25 be approved.</i></b></p>
13	<p><b>External audit strategy for 2024/25</b></p> <p>Shachi Blakemore presented the external audit strategy for 2024/25. Buzzacott had met with the College to discuss developments at the College to inform the external audit which would take place in the autumn. She noted that there would be fewer changes to this year's audit following the changes brought about in 2022/23 by reclassification. A governor queried whether the figures would be taken from the new finance system. The Director of Finance confirmed that they would be, but that detail relating to transactions would be taken from the old finance system.</p>

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	<b><i>Resolved, That the external audit strategy for 2024/25 be approved.</i></b>
14	<p><b>Draft schedule of meetings and cycle of business for 2024/25</b></p> <p>The Director of Governance presented the draft schedule of meetings and cycle of business for 2024/25, adding that it would be flexible and responsive to the Committee's needs during the year. Shachi Blakemore suggested the addition of an anti-fraud questionnaire completed as part of the external audit, which the Committee agreed would be helpful. A governor commented that the plan should be amended to take account of the new strategic plan, once agreed.</p> <p><b><i>Resolved, That the draft schedule of meetings and cycle of business for 2024/25 be approved.</i></b></p>
15	<p><b>Committee evaluation</b></p> <p>The Chair invited committee members to respond to a self-evaluation questionnaire which would be issued by the Director of Governance.</p>
16	<p><b>Any other business</b></p> <p>A governor asked if the normal start time of the Committee's meetings could be amended to 6.00 pm, which was agreed to.</p>
17	<p><b>Next meeting</b></p> <p>Thursday 26 September 2024 at 6.00 pm.</p>