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| <p>The AoC has identified four individuals who could project manage the implementation of a new finance system. Two have been shortlisted and will be interviewed next week. The governors' task and finish group will oversee the arrangements around the implementation once the project manager has been appointed, and the timeline determined.</p> | VPCS |
| <p>It was noted that the risk related matters arising from the last meeting will be carried over as substantive changes have been made to the risk register and no textual changes have been incorporated or updated into the new format until this has been agreed.</p> | HoG |
| <p>It was reported that the additional work undertaken in respect of the external audit (year-end accounts) will be about £40K. Governors had suggested that this sum would cover the cost of additional resource in the team, but it has been concluded that the finance team has got reasonable capacity and this could be better attributed to employ the specialist needed to source and implement a new finance system.</p> | |
| <p>Finally, a governor queried if some of the overrun audit cost was because auditors had queried the college's application of the apprenticeship funding rules which after submitting to the ESFA were found to be compliant. Essentially the concern was raised around compliance, but CWA had applied the rules correctly which was helpful given that a full funding audit by PwC then ensued.</p> | |
| <p>The completed items are to be removed from the table.</p> | HoG |
| <p>6 Internal Audit Progress Report</p> | |
| <p>Three of the eight internal audits have been completed and reports presented to the committee. The Single Central Record audit work was an advisory audit. The Payroll and Human Resources, Recruitment and Selection audits both received significant assurance (green status). Apprenticeship Recruitment and Employer Engagement, Follow-up of Previous Recommendations, and Estates Management will be completed in the coming months and reports will be received by the committee at the meeting to be held in June 2024.</p> | |
| <p>It was noted that the Capital Project (Green Skills Centre) audit will not take place this year so a review of Marketing will be undertaken in the summer term for reporting in June 2024. The funding needs to be secured before the project can commence so it was agreed that this will be deferred to 2024/25 and replaced this year with a review of Marketing. There are a number of capital projects pending for the college, so the committee was keen to look at projects as a whole as an audit area next year rather than just a focus on the Green Skills Centre.</p> | SB |
| <p>Governors also suggested that the audit planned for a review of the new finance system, is dependent on progressing this project in the year, which as discussed above has not yet gained pace. It was agreed that this would be deferred and replaced with another review area, to be proposed post meeting (via email).</p> | VPCS HoG |
| <p>7 Internal Audit Reports</p> | |
| <p>1 Payroll</p> | |
| <p>The objective of the audit was to provide assurance that the college's employees are paid accurately, timely, and in accordance with contractual terms and for work undertaken. Overall, auditors consider that there are appropriate controls, authorisation, and checking of the payroll and the assurance opinion given was significant (green).</p> | |
| <p>There are some areas where the adequacy or operation of controls in practice could be improved further, and six low (green) recommendations have been proposed and accepted by management.</p> | |
| <p>The HoF confirmed that some recommendations (error log) were implemented straight away and closer working with HR has really enhanced practice further. There are some further enhancements around exploring the additional utilisation and deployment of reporting modules as an audit trail of data changes has been raised before as a key control so the HoF agreed to investigate this further and will report back to the next meeting of the committee, together with costings.</p> | HoF |

Noting the recommendation around the possibility of iTrent maintaining a salary history it was questioned if this had been actioned. The HoF confirmed it was proposed to move the completion date to July 2024 to give sufficient time to resolve. Manual records are maintained of salary changes but an iTrent solution is not as straightforward as first anticipated. Internal Auditors suggested contacting other colleges as this is not an issue seen by auditors elsewhere. Governors concluded that it would be beneficial to improve reporting capabilities but appreciated the big-time investment needed to understand the complexities of reporting functionality to develop the reports.

HoF

2 Human Resources, Recruitment and Selection

The objective of the audit was to ensure that the college's selection, recruitment, and appointment processes are fit for purpose and reflect safer recruitment requirements. Testing included previous and new recruitment processes, and these were considered to work effectively in practice and with efficiency gains. The assurance opinion given was significant (green).

Only two low risk (green) recommendations and one added value point was proposed and accepted by management to improve the performance of the system of internal controls.

In response to a question, it was confirmed that the Mississippi programme (named after the river) is an internal training programme for aspiring managers. For those who may want to move into a teaching or management role for example.

8 Progress on Implementing Agreed Audit Actions

The report included an update against each recommendation arising from both internal and external audits. It was noted that the audit actions arising from RSM external audit of the financial statements are not yet included in the report, but the committee will get the chance to review progress made against these.

As discussed above the committee agreed to extend the timeline to July 2024 for the team to explore the system capability to maintain salary history records.

HoF

Regarding recommendation 13 in the report and given previous conversations about finance capacity and additional resource governors noted the no immediate improvement made as the additional resource had been concentrating on college projects and not been able to get involved in addressing this action. The HoF acknowledged that the wording was inaccurate and confirmed that the management accountant appointed in October 2023 had focussed on financial project monitoring but as part of their ongoing development into the role time will be spent on management account processes such as balance sheet reconciliations to support the review and production of the monthly management accounts going forward, so this action has progressed and will resolve imminently.

In addition, it was noted that a new member of staff is due to join the team in April 2024 (to replace the staff member who left in December 2023). This role will support the accounts payable team with cash processes, banking of cash, income journals and credit card transactions.

The committee agreed that the report was growing to an unmanageable size and suggested that some of the older external audit outcomes (arising from KPMG) potentially are no longer relevant and/or could be closed off. The HoF will work through the recommendations with RSM to close off/resolve historic recommendations. The Chair requested a total review and refresh to simplify the document to provide better focus for the committee. Internal Auditor, Paul Goddard, suggested that the follow-up of previous recommendations planned for 18 April 2024 will be used for this purpose.

HoF

SB

Finally, recommendation 34 was queried as no update on progress had been provided. This related to the requirements of the ESFA subcontracting standards and the VPCS reported that contracts have not been issued as these are normally distributed over the summer. The college still awaits notification from the ESFA that CWA meets the subcontracting standards. The audit report was submitted to the ESFA by the deadline date, but notification has been pushed back a number of times.

9 **Subsidiary Financial Statements**

The committee received assurance that audit debrief meetings between the college and RSM have taken place to analyse the issues faced with the external audit. Both parties are confident that the audit this year will be a smoother and positive process. Audit work will commence earlier, and sections managed by allocated colleagues (HoG for example will complete Regularity), and the planning cycle has been extended to support a later sign off, of the accounts.

A governor questioned if expectations have been aligned with deliverables as in their experience data is requested but the data submitted isn't necessarily what auditors expected to receive. It was queried therefore if some of these sticking points could be resolved earlier on. The VPCS and HoF confirmed that expectations are better understood, and a new portal system will help to eradicate uncertainty of requests. Auditors will be in college more for this years' audit which will also help alleviate misunderstanding of the data required so plans are in a better place and lessons have been learned.

1 **CWA Enterprises**

The draft financial statements for the year ended 31 July 2023 were shared with the committee for information. It was noted that external auditors are to conclude their audit work, but updates and changes to notes in the accounts have been proposed but these pose no material adjustments.

The date of the opening stock balance is to be checked and the difference between plant and machinery and plant and machinery other determined. It was noted that a query remains around the tax computation that the HoF is looking to resolve and the dates on the Statement of Changes in Equity (page 10) need to reflect the 2023 year-end. The VPCS will confirm (by email) how the £2.9m debtors (amount due after more than one year) have arisen.

HoF

VPCS

2 **CWA Developments Limited**

The draft financial statements for the year ended 31 July 2023 were shared with the committee for information. It was noted that external auditors are to conclude their audit work, and in the meantime have advised that the college contacts the ESFA to ask if a letter of comfort is required for this subsidiary company. The college awaits the response.

HoF

The Chair questioned the purpose of CWA Developments Limited and it has been proposed that this will become dormant to save on audit costs and administration. The question remains however if it is still valuable to retain as a VAT shelter or not.

VPCS

Rob Petto and Mandy Lakey joined the meeting at 10.50am

10 **Apprenticeship Internal Assurance Review Update**

The report was taken as read and governors invited to ask questions. A governor asked what the timescale was to migrate PICS to EBS. The APF&P confirmed that the aim is to be live with the ILR coming out of EBS early May 2024, which is the R09 return. The move away from PICS will not be made entirely at that point so there will be a period of dual running until there is certainty of accuracy.

On the CRM update governors noted that there were 219 starts, and only 195 were fully managed due to staff confidence with the system. This was typically a timing issue that came live in August as some Apprenticeship Advisers had already started completion of their paperwork at the time the CRM system came in to use, so not all were held electronically. Additional training for all users will build confidence in system input and usage so a more positive position can be reported.

The Chair asked about apprenticeship enrolments and the level of errors identified. Is this still an issue, and if so, what is being done about it. The APF&P confirmed that substantial changes have been made to enrolment processes and some secondary checks have been relied upon through the admin team who have pushed queries back to advisors for correction before enrolments are processed. The team will soon embark on a busy enrolment period again so more learning and improvements will no doubt be found and made.

Rob Petto, Mandy Lakey, and Rachel Nicol left the meeting at 11.00am

11 Risk and Internal Controls Update

The VPCS highlighted the following items for governors to consider:

Information in the single central record

Work continues to obtain all records. Processes have been changed and improved and gaps are known, and notes added to identify why the gap continues to exist (long term sickness for example). This is regularly audited by the VPCS with HR and the Principal/CEO audits with HR on a monthly basis. The HoHR reviews weekly.

Recruitment processes

Additional training for interviewers will be rolled out further to two instances where interviewers misread flags of a safeguarding nature in relation to the applicants being interviewed. Governors queried if there is a checklist pre interview that is used to cover previous employment history, gaps in employment etc. This is in place and the HR team also remind interviewers to cover off such questions. These have now been added to the template for interviewers so they can be asked of all applicants now at interview. It was noted that all offers of employment are subject to satisfactory DBS checks and for teaching roles the Barred List is also checked so an offer of appointment would be withdrawn if these returned with a concern/bar.

Capital Projects

The capital projects programme was shared with governors and the VPCS confirmed an increase in capital activity for the college and several building projects running at the same time to manage. The regular project management (Fusion) support has been lost so the risks associated with these builds is high. An operational group to manage these projects has been established and the VPCS has proposed reinstating the governors Property Steering Group for governance and project oversight. Governors reiterated that an internal audit of all capital projects, not just the Green Skills Centre would be an area for review in the 2024/25 academic year.

The Chair raised his concern around project slippage as with multiple projects with differing timescales this could create delays/complications with project management. The VPCS mentioned that the Tower Roof and School of Nursing extension were the two more complex projects, the others are relatively straight forward so there is confidence that the project team in-house has the expertise to deliver. For further assurance it was noted that a more detailed paper about each project, the risks, and deadlines, is included on the agenda for the corporation meeting to be held next week.

Student IT activity

Further to some students experimenting with AI a temporary blanket block has been placed on all AI software, but AI tools are still available to students through teaching. A solution has not been found but IT have established a steering group to understand the issue and find a way for AI to be deployed and used safely and appropriately.

12 Review of Risk Register, Heat Map and Board Assurance

The HoG (as of 1 January 2024) has responsibility for risk, GDPR, FOI, and whistleblowing.

The risk register has been remodelled to give governors improved risk visibility, oversight, and enhanced reporting. The new model gives a complete overview of every risk and is interactively linked to the heat map.

It was noted that risk 17 has been removed (archived) from the register as this is no longer a risk.

The Board Assurance Map is a colour coded matrix that provides first, second and third lines of assurance that each risk is being managed. Under each coloured cell commentary is added to show what assurance documents/evidence supports the overall colour assurance level. The excel version of the register, heat map and board assurance map will be shared with the committee at future meetings so that this level of detail is visible and can be interrogated by governors.

HoG

The committee were invited to comment on the format of the remodelled register, heat map, board assurance map, and the reworded risks for populating. Comments received included:

- Swapping the unique risk number with the strategic ambition so that the risk number is at the beginning of the register
- The committee particularly liked the residual heat map and functionality
- The format was considered 'easy on the eye' and a good visual summary overview
- The date that the risk was identified could be removed. New or emerging risks would be labelled as such when they enter the register
- The HoG will work with the VPCS to reword risk R008 as this was combining capital with estates management which essentially are two separate elements
- An emerging risk/opportunity around AI could be added to the register. Auditors have developed a training session that they are rolling out to colleges, and this will be delivered as an agenda item at the meeting to be held in June 2024.

HoG
VPCS

SB
HoG

The HoG awaits feedback from the corporation at the meeting to be held on 20 March 2024 before incorporating suggested amendments into the next iteration of the register and associated documents.

13 Review of contracts register, waivers, and debt write-offs

The register records 216 contracts with an annual cost of £1.8m. It was noted that there are three contracts beyond the end date, but these will come to a natural end once demolition or decommissioning of the related areas are concluded.

Contracts added since the last report (October 2023) to the committee were appended to the report and all active contracts greater than £10K as at 14 February 2024 were also presented. It was further noted that all bad debt provision is reviewed at the year end, and this concluded with nothing to report. The committee noted the report.

14 CWA Publication Scheme (Fol) and Guidelines

The proposed updated version for 2023/24 shows only minor (tracked) changes. The publication scheme noted several changes to job titles and/or change of person responsible. The committee approved the document. This will be published on the college website.

HoG

15 Governors/SMT Expenses – Annual Review

It was reported that expenses from January to December 2023 are minimal and there are no material transactions to report.

16 Gifts and Hospitality Register - Review

The annual review of the college's gifts and hospitality register was last reported to the committee at the meeting held in March 2023. Since then, only one entry has been made in June 2023 relating to a gift given by a student to their course director (after all course grades and feedback). The specialist gift was donated to the Technology Centre. Governors noted the report advising no further action.

17 Any other business

There were no other items of business

18 Chair's items for briefing to the corporation

- The payroll internal audit received significant assurance (green)
- The HR, Recruitment and Selection internal audit received significant assurance (green)
- A refresh of the internal audit progress report will be undertaken to simplify and heighten committee awareness of ongoing actions that need progressing. The document is becoming large and unmanageable.
- Subsidiary Financial Statements were shared with the committee for information.
- The committee continues to receive apprenticeship internal assurance review updates. Good progress with system improvements on PICs to EBS migration and enrolments in CRM were reported.
- More training for interviewers will be rolled out further to two instances where interviewers misread flags of a safeguarding nature in relation to the applicants being interviewed.

- The committee has suggested some changes to the proposed remodelled risk register. The heat map and board assurance map were well received and some comments on risk phraseology have been proposed.
- The committee approved the reviewed CWA Publication Scheme (FOI) and Guidelines. These are to be published on the college website.

19 Date and time of next meeting

Wednesday, 26 June 2024 at 9.30am

Meeting ended at 11.45am