

**MINUTES OF THE HADLOW GROUP AUDIT COMMITTEE
14 MARCH 2018**

- Present: Mr B McNicoll (Chair & Governor)
Ms S Hart (Governor)
Mr H Guntrip (Governor)
Ms L Currie (Governor)
- In attendance: Mr M Lumsdon-Taylor-Deputy Group CEO & Deputy
Principal
Mr J Allen - Clerk
Mr D Ebdon - Finance Manager
Ms B Cleves - Vice Principal
Dr J Mawby - Vice Principal

The meeting commenced at 1pm

WELCOME, APOLOGIES & DECLARATIONS OF INTEREST

1. The Chair welcomed everyone to the meeting. Apologies were received from Nick Coffin and Paul Greenwood. The Clerk advised that the membership of the Hadlow Corporation, West Kent & Ashford Board, and the Hadlow Group Board would be a standing declared interest at each meeting for Mr H Guntrip, Mr B McNicoll, Ms L Currie, and Ms S Hart. Mr H Guntrip declared an additional interest in being a member of the Board of the Hadlow Rural Community Free School.

MINUTES

2. **RESOLVED** - that the minutes of the meeting of the Hadlow Group Audit Committee, held 23 November 2017, be approved as a correct record and signed by the Chair.

SUMMARY ACTION LIST & MATTERS ARISING

3. The '*Summary Action List*', that provided a detailed progress update against each action point, was received. The following progress updates were noted:

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	ACTION UPDATE TO BE PROVIDED AT MEETING ON 14 MARCH
3	Betteshanger Foundations & Extra Costs Incurred of £1.2m:	It was AGREED to defer this to later in the year as it will require a significant amount of work from Brachers and the Deputy

		CEO/Deputy Principal, when the priority for both has to be concluding the property disposals, as long as deferment does not put at risk, or disadvantage, seeking a resolution. It was AGREED to make available a 'route of action' for discussion and approval at the next meeting.
7	<p>Roll Forward Action Plan:</p> <p>(i) To ensure the front cover summary content aligns with the detailed audit recommendations table;</p> <p>(ii) For dates to be inserted indicating the date when the recommendation is to be completed, and to avoid in this column the use of "on-going" or "in-progress",</p>	Covered in the agenda item 'Roll Forward Action Plan'

4. It was **RESOLVED** to note the '*Summary Action List*'.

GROUP AUDIT ROLL FORWARD ACTION PLAN

5. The Audit Committee received the '*Group Audit Roll-Forward Action Plan*' listing progress against all outstanding audit recommendations.

6. Of the 15 audit recommendations, as at March 2018 for the Hadlow Group (Hadlow College, West Kent & Ashford College, Hadlow Rural Community School, Betteshanger, Hadlow Pre-School, and Produced in Kent), management confirmed that one had been completed with 14 outstanding. It was confirmed all 14 are in-hand for completion but many cannot be confirmed completed until year-end, as they relate to budget management and budgetary controls.

7. Following review, it was **RESOLVED** to note the '*Audit Roll Forward Action Plan*'.

INTERNAL AUDIT REPORT

8. The internal audit report '*General Data Protection Regulations Readiness Review*' was an interim report on the College's preparation arrangements to be fully compliant with GDPR regulations when they come into force at the end of May 2018. In essence, it was a readiness check and not a compliance check.

9. The report confirmed a number of findings and recommendations, these being:

Getting a briefing on GDPR	Partially implemented/planned	The Group should ensure that staff members, handling personal data, are made aware of the GDPR and how it affects their individual roles.
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Map the personal data held by your organisation	Partially implemented/planned	The personal data held by the Group should be mapped showing where it is processed and transferred. This will help the Group to identify high risk areas.
Consent	Partially implemented/planned	Review how the Group currently asks for consent and confirms its compliance with the GDPR, and review consent already held to ensure this meets the GDPR's high standards.
Legal Basis	Not implemented/planned	Review the processing activities undertaken by the Group and select the most appropriate lawful basis for each. This should be detailed on the Group's privacy notice.
Individual Rights	Not implemented/planned	Provide privacy notices to individuals, communicating how their data is used, why it is processed and with whom it is shared. Ensure there are policies and procedures in place surrounding subject access requests.
Data Protection Management	Not implemented/planned	Ensure a data protection policy is in place, this should include procedures around breach notification. Ensure a suitable individual is nominated to manage and monitor the GDPR processes.

10. It was confirmed that all of the recommendations are being acted upon. There will be a follow-up audit visit after the end of May reporting as to whether the College has become fully compliant with GDPR requirements. The outcome of this audit will be reported at the June meeting.

11. Clarification was sought on whether there was any Governor liability arising from GDPR. It was **AGREED** for the Clerk to seek legal advice and to make this available to governors.

12. The report '*Internal Audit Progress*' reported on audit progress against the agreed '*Audit Plan 2017-18*'. There were no issues arising from the review. The internal audit schedule confirmed how the remaining audits due in-year will be completed, with the audit reports made available at the June meeting of the Audit Committee. The report was received and **NOTED**.

PRE-BUDGET STATEMENT

13. It was confirmed the confidential report had been considered in detail by the Group Finance Committee and both College Corporations and was, therefore, received for information purposes.

14. In terms of the risks arising from the pre-budget statement, it was agreed the risk of managing the impact of curriculum changes externally, especially with land-

based stakeholders, will be critical. There will also be a risk on the likely impact on specific staff groups from any proposed curriculum changes. The Deputy CEO/Deputy Principal confirmed that these risks have been identified and also the measures against which they will be mitigated by the Executive.

ASSURANCE & RISK

15. It was agreed, at the July 2017 Audit Committee meeting, to have a fixed agenda item at each meeting of the Audit Committee to review Assurances & Risks, combining Board Assurance Reports and Risk Register Reports into a single agenda item.

16. It was further agreed:

- (i) For each Committee of the Board to review, at each meeting, those risks from the Risk Register that fall within the scope of the Committee's terms of reference and to report the outcomes of this review to the Audit Committee;
- (ii) For each Committee of the Board to be asked if any new risks had been identified during their meeting that needed to be reported to the Audit Committee.

17. The Clerk gave feedback on the risk work undertaken by the Quality & Curriculum Committees at Hadlow and WKAC, and the Hadlow Group Finance Committee. The opinions from the committees were that the risks and mitigations from the Risk Register, that fall within the scope of their terms of reference, were appropriate and robust.

18. The Clerk confirmed that no new risks were identified by any of the Committees, but the Curriculum & Quality Committee for both Colleges did request that Risk 17 be extended in scope to include attendance as attendance for English & maths remains an area of risk and concern.

19. The following reports were received for review:

- Financial & Governance Assurance Report
- External Funding & Value Assurance Report
- Structure & Legal Assurance Report
- Bank Covenants Assurance Report
- Global trend summary report
- Hadlow College Risk Register
- WKAC Risk Register

20. Following review of the assurances, made available against each component of the Board Assurance Framework, that were scheduled to be reviewed at this meeting, the Committee **AGREED** the following RAG assurance assessments:

Board Assurance Framework - Component	Current Risk Register Assessment	Assurance Assessment Agreed at this review – March 2018
Finance	AMBER	GREEN
Governance	GREEN	GREEN
External Funding & MIS	GREEN	GREEN

Structure & Legal	GREEN	GREEN
Risk Framework	AMBER	GREEN

21. The Committee welcomed the inclusion of reporting on the bank covenants in the assurance framework, as any breach of the covenants at year-end would be a significant high risk to the College. The report forecast full compliance against all 4 bank covenants at year-end.

22. Following review of the reports, it was **RESOLVED** to note the assurance and risk agenda items.

23. There took place an extensive discussion around staff morale, currently rated as a high risk. As a 'people' organisation, getting the well-being of staff right is critical. Staff need to feel valued and motivated. If staff do not feel valued, the pressures, placed on them due to reduced funding and curriculum changes, will intensify. With limited resources available, and with no significant pay awards for several years now, staff are being asked to do more for less. This is not the fault of the College Executive, but it is imperative that, through an agreed strategy at Executive level, staff are enabled to feel valued and motivated. In terms of how this could be best reported to both College Boards, it was agreed consideration should be given as to making available an annual evaluation report on the staff voice, following a similar reporting process that is used to report on the student voice. There is a lot of reporting through KPIs and through the work of the various Committees on a range of quantitative HR data but what is missing is an evaluation on the workforce. It was **AGREED** to ask the College Executive to give this matter further thought and to report back to the Committee their suggestions as to how more qualitative data on the workforce may be made available in an annual report to both College Boards.

ANY OTHER BUSINESS

24. There was no other business.

DATE OF NEXT MEETING

25. Thursday 21 June 2018 @ 09.30 @ **TONBRIDGE**

The meeting closed at 12.30.

Signed: _____ Date: _____

CURRENT AUDIT COMMITTEE SUMMARY ACTION LIST

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	Review
3	<p>Betteshanger Foundations & Extra Costs Incurred of £1.2m:</p> <p>It was AGREED to defer this to later in the year as it will require a significant amount of work from Brachers and the Deputy CEO/Deputy Principal, when the priority for both has to be concluding the property disposals, as long as the deferment does not put at risk or disadvantaged seeking a resolution. It was AGREED to make available a 'route of action' for discussion and approval at the next meeting.</p>	21/6/18

7	<p>Roll Forward Action Plan:</p> <ol style="list-style-type: none"> 4. To ensure the front cover summary content aligns with the detailed audit recommendations table; 5. For dates to be inserted indicating the date when the recommendation is to be completed and to avoid in this column the use of "on-going" or "in-progress", 	21/6/18
10	There will be a follow-up audit visit after the end of May to report on whether the College has become fully compliant with GDPR requirements and the outcome of this audit to be reported at the June meeting.	21/6/18
11	Governor Liability arising from GDPR - legal advice to be sought and made available to governors	21/6/18
18	Curriculum & Quality Committee for both Colleges requested that Risk 17 be extended in scope to include attendance as attendance for English & maths remains an area of risk and concern.	21/6/18
23	There is a lot of reporting through KPIs and through the work of the various Committees on a range of quantitative HR data but what is missing is an evaluation on the workforce. It was AGREED to ask the College Executive to give this matter further thought and to report back to the Committee on their suggestions as to how more qualitative data on the workforce can be made available in an annual report to both College Boards.	21/6/18