

MINUTES OF AUDIT COMMITTEE MEETING HELD ON 25TH SEPTEMBER 2017

Present:	Karen Banks	External
	Neil McGrath	External (Chair)
	Tom McNerney	External
	Lynn Pegler	External
In attendance:	Julie Holland	Deputy Principal (Finance & Resources)
	Sue Suchoparek	KPMG
	Lesley Venables	Clerk to the Governors

The meeting was preceded by a training session from KPMG on the role of the Audit Committee and the audit framework.

APOLOGIES FOR ABSENCE

- 1 Apologies for absence were received and accepted from Valerie Allen (External) and Richard Lee (KPMG).

DECLARATION OF INTERESTS

- 2 No declarations of interest were received.

APPOINTMENT OF CHAIR

- 3 **Resolved -** That Neil McGrath be appointed as Chair until the first meeting of the 2018/2019 academic year

MEETING WITH AUDITORS

- 4 The Committee met routinely with the Auditor in the absence of senior management.
- 5 The Auditor reported that a review of Key Financial Controls had recently been completed but had not been submitted to management in time for this meeting. Governors noted that the interim findings of the report provided 'substantial assurance' in this area of the College's operations and a number of good practice points had been identified.

6 Data analytics around the accounts payable would be undertaken as part of the Internal Auditor's work in 2017/2018, instead of continuing to run reports on creditor reconciliations, which would provide greater value added to the College and identify any areas for improvement.

7 The final report on Key Financial Controls would be included in the agenda for the Committee's November 2017 meeting.

MINUTES OF MEETING HELD ON 26TH JUNE 2017

8 **Resolved -** That the minutes of the meeting held on 26th June 2017 be approved as a correct record and signed by the Chair.

MATTERS ARISING

9 The Committee received a list of actions resulting from the previous meeting and noted that all items were either in progress or had been completed.

RISK MANAGEMENT/MONITORING OF PREVIOUS RECOMMENDATIONS

10 Governors received for information the annual report for 2016/2017 on risk management.

- 11 **Resolved -**
- 1 That the Board **be RECOMMENDED** to approve the Risk Management Policy for 2017/2018
 - 2 That copies of the list of 10 key risks, the Risk Register and the Risk Management Action Plan be circulated to the Committee

ASSESSMENT OF CONTROLS ON FRAUD & IRREGULARITY

12 The Deputy Principal (Finance & Resources) presented a report on the assessment of controls on fraud and irregularity. The Committee was advised that, under the International Standard on Auditing (240), the Board was required to make representations on fraud and irregularity and the controls in place to mitigate them, when approving the Financial Statements for 2016/2017.

13 A review of the likely areas where fraud or irregularity could occur had been undertaken, with an assessment of all relevant controls to address any potential weaknesses. Each possible area of fraud had been linked to a specific risk(s) on the risk register. A full risk and sensitivity analysis had been carried out as part of the Financial Plan for 2016/2019.

14 It was noted that controls were in place to reduce the possibility of fraud or irregularity in each of the areas identified. All governors would be asked to complete a fraud awareness questionnaire. Together with the fraud and irregularity self-assessment summary, this should provide sufficient assurance to enable the Chair to sign the letter of representation relating to the financial statements for 2016/2017 at the December 2017 Board meeting.

15 The Committee received the Regularity Self-Assessment for 2016/2017, which required approval by the full Board. This document had been reissued by the Education & Skills Funding Agency at the end of last academic year and would continue as required.

16 The content was similar to that included in Annex C of the Post-16 Audit Code of Practice. It was agreed that these two documents would be merged and re-submitted to the Committee's November meeting for information.

- 17 **Resolved -**
- 1 That individual governors be asked to complete the fraud and irregularity questionnaire
 - 2 That the self-assessment of controls on fraud and irregularity be approved
 - 3 That the Board **be RECOMMENDED** to approve the Regularity Self-Assessment for 2016/2017

ACCOUNTABILITY REVIEW

18 The Deputy Principal (Finance & Resources) presented the draft Accountability Review document. This provided a base and supporting evidence in preparation for any visit by the Education & Skills Funding Agency's Provider Financial Assurance Team.

19 Governors noted that no areas of non-compliance had been highlighted in the document.

- 20 **Resolved -** That the Board **be RECOMMENDED** to approve the Accountability Review document

ITEMS TO BE REPORTED TO THE BOARD

21 The Chair summarised the outcomes of the meeting and identified the following matters which would be brought to the attention of the Board at its meeting on 16th October 2017:

- Appointment of new Chair
- Risk Management Policy, Regularity Self-Assessment, Accountability Review and Annex C to the Post-16 Audit Code of Practice were recommended for approval by the Board
- Training undertaken on the role of the Audit Committee

22 Governors requested that, in future, summary sheets should be provided for each agenda item.

DATE OF NEXT MEETING

27th November 2017