

MINUTES OF AUDIT COMMITTEE MEETING HELD ON 20TH JUNE 2016

Present:	Valerie Allen	External – minutes 120 to 139
	Neil McGrath	External
	Wesley Rourke	External (Chair)
	Melanie Simmonds	External
	Denise Whitney	Staff
In Attendance:	Julie Holland	Deputy Principal (Finance & Resources)
	Richard Lee	KPMG
	Lesley Venables	Interim Clerk to the Governors

APOLOGIES FOR ABSENCE

104 Apologies for absence were received and accepted from Sue Suchoparek (KPMG).

MEETING IN ABSENCE OF AUDITORS & MANAGEMENT

105 Governors met in the absence of the auditors and of management.

106 The issue of the level of fees for 2016/2017 was discussed. Attention was also drawn to attendance levels for the Committee in 2015/2016, which were currently below the target set by the Board. A number of possible remedies to improve this for 2016/2017 were discussed and agreed.

DECLARATION OF INTERESTS

107 A declaration of interest was received from Lesley Venables in respect of minute 118.

MINUTES OF MEETING HELD ON 7TH DECEMBER 2015

108 **Resolved** - That the minutes of the meeting held on 7th March 2016 be approved as a correct record and signed by the Chair.

MATTERS ARISING

109 The Committee received a list of actions resulting from the previous meeting and noted that these were either fully or partially completed or featured as agenda items for this meeting.

EXTENDED ASSURANCE REPORT – GOVERNANCE

110 The Extended Assurance Auditor presented a report on Governance and the College's level of compliance against the requirements of the Association of Colleges' English Colleges' Code of Good Governance.

113 This area had been graded as providing 'significant assurance with minor improvement opportunities'. In a number of areas identified for improvement, the corrective action was to document current procedures.

114 Governors were updated on future clerking arrangements and noted that a proposal would be submitted to the Board meeting on 4th July 2016.

EXTENDED ASSURANCE REPORT – CAPITAL PROJECTS

115 The Committee received an extended assurance report on Capital Projects, which had been graded as 'significant assurance' by the Auditor.

Valerie Allen joined the meeting at this point.

FINANCIAL STATEMENTS – BENCHMARKING DATA

116 The Auditor presented a report that benchmarked the information contained in the Financial Statements of 90 of KPMG's client colleges for 2014/2015. Governors suggested that some form of narrative from College management on the key messages derived from the data would be useful in future. As part of the draft Financial Forecast, the Finance & General Purposes Committee would be receiving a report at its June meeting that included a wider set of benchmarking data.

117 It was noted that public sector audits were moving towards including a higher proportion of work on quality issues and that it would be prudent for the College to include an element of this in the audit plans for 2016/2017.

RISK MANAGEMENT

118 The Deputy Principal presented an update on risk management issues that had occurred in the Spring Term.

119 The Risk Management Group had met recently and had reviewed the risks associated with the Area Based Review process, the capital project at the Cronton Campus and national reforms of examinations and the curriculum.

120 All recommendations resulting from the Auditor's latest Extended Assurance work had been included in the Risk Management Action Plan. The Committee was advised that further work on the Risk Register would be undertaken over the Summer to align it more closely with the Ofsted inspection criteria. A draft of the revised document would be presented to the September meeting for discussion.

AUDIT STRATEGY & PLANNING MEMORANDUM FOR FINANCIAL STATEMENTS 2015/2016

121 The Financial Statements Auditor presented a plan for the work to be undertaken for the 2015/2016 financial statements.

122 The plan had been prepared following discussions with management on the key risks facing the College in 2015/2016.

123 A useful update on current issues facing the further education sector was provided as an appendix to the Plan.

124 **Resolved -** That the Board **be RECOMMENDED** to approve the Audit Plan for the Financial Statements for the 2015/2016 financial year.

EXTENDED ASSURANCE PLAN FOR 2016/2017

125 The Deputy Principal reported that 2016/2017 would form the third year of the Auditor's Three Year Plan for Extended Assurance work.

126 Extended assurance visits would be scheduled throughout the year so that reports could be submitted to the Committee at the appropriate point.

127 **Resolved -** That the work on Extended Assurance for 2016/2017 be carried out in line with the approved Three Year Plan.

POLICIES

128 **Resolved -** That the Board **be RECOMMENDED** to approve policies on:

- Whistleblowing (subject to an amendment to ensure that the policy was available on both the College's intranet and internet sites)
- Anti-Bribery
- Anti-Fraud & Corruption
- Anti Money-Laundering

ITEMS TO BE REPORTED TO THE BOARD

129 The following items would be reported to the Board at its meeting on 4th July:

- Extended assurance reports on Governance and Capital Projects had been received, together with information on benchmarking
- Update on risk management activities. It was noted that the Risk Register will be revised and a new version presented to the September Committee meeting.
- Extended Assurance Plan for 2016/2017 and Financial Statements Plan for 2015/2016 were recommended for approval by the Board.
- Policies recommended for approval by the full Board.

DATES OF FUTURE MEETINGS

19th September 2016, 6.00 p.m.

28th November 2016, 6.00 p.m.

6th March 2017, 6.00 p.m.

26th June 2017, 6.00 p.m.