

**MINUTES OF AUDIT COMMITTEE MEETING HELD ON 5<sup>TH</sup> DECEMBER 2016**

<b>Present:</b>	Valerie Allen	External
	Neil McGrath	External
	Wesley Rourke	External (Chair)
<b>In attendance:</b>	Julie Holland	Deputy Principal (Finance & Resources)
	Richard Lee	KPMG (minutes 41 to 53)
	Lesley Venables	Clerk to the Governors

**APOLOGIES FOR ABSENCE**

41 Apologies for absence were received and accepted from Tom McInerney (External), Melanie Simmonds (External) and Sue Suchoparek (KPMG).

**DECLARATION OF INTERESTS**

42 No declarations of interest were received.

**MEETING WITH AUDITORS**

43 The Committee met with the Auditor in the absence of senior management and was advised that there were no significant issues to report.

**MINUTES OF MEETING HELD ON 19<sup>TH</sup> SEPTEMBER 2016**

44 **Resolved -** That the minutes of the meeting held on 19<sup>th</sup> September 2016 be approved as a correct record and signed by the Chair.

**MATTERS ARISING**

45 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.

## **FINANCIAL STATEMENTS 2015/2016**

46 Governors received the draft Financial Statements for 2015/2016, together with the Management Letter issued by the Auditors and the Letter of Representation (which required the signature of the Chair once approved by the full Board).

47 The Auditor advised that an unqualified opinion had been issued for both the Financial Statements and the Regularity audits.

48 **Resolved -** That, subject to any further minor typographical amendments and receipt of the reconciliation statement from the Skills Funding Agency, the Financial Statements for 2015/2016 and the Letter of Representation be submitted to the Board for approval

**Richard Lee left the meeting at this point.**

## **PROVIDER FINANCIAL ASSURANCE REPORT**

49 The Committee received for information a report on a recent audit by the SFA's Provider Financial Management & Assurance Team which had examined the College's level of compliance with funding regulations on the Adult Skills Budget and 16-18 apprenticeships and traineeships.

## **RISK MANAGEMENT UPDATE**

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

51 All recommendations resulting from the Auditor's Extended Assurance work had been included in the Risk Management Action Plan, including those relating to governance. As reported at the Committee's September meeting, the areas for improvement identified in the College's Quality Improvement Plan had now been incorporated into the Plan and progress against each of these would be monitored by the Quality & Standards Committee.

## **AUDIT COMMITTEE'S ANNUAL REPORT 2015/2016**

52 The Committee received a draft of its Annual Report to the Board and to the Principal (in her capacity as Chief Accounting Officer) for 2015/2016. The Report summarised the work of the Committee in 2015/2016, along with the outcome of the various audits. It concluded that, in the Committee's opinion:

- i) the College's systems of internal control are adequate and effective
- ii) the College's arrangements for risk management, control and governance framework and processes for securing economy, efficiency and effectiveness are adequate and effective.

53 The Report had been prepared in line with the requirements of the Joint Audit Code of Practice and the English Colleges' Code of Good Governance. The Clerk had also updated the Committee's terms of reference to align them to the new JACOP and to take account of the College's Extended Assurance model of audit.

54 Governors requested that the section on Data Quality be amended to include examples of sources of assurance on data management and quality assurance.

55 **Resolved** - That, subject to an amendment on data quality, the Audit Committee's Annual Report for 2015/2016 be submitted to the Board for information and sent to the Skills Funding Agency with the Financial Statements

### **COMMITTEE'S SELF-EVALUATION**

56 The Committee received a proforma that enabled it to assess itself against a number of key criteria – attendance, membership, fulfilment of the terms of reference, a summary of the key activities undertaken in 2015/2016 and any areas for improvement in 2016/2017.

57 Governors discussed each element of the proforma and graded the Committee's overall performance as a 1 or 'outstanding'.

58 It was agreed that the remaining meetings in 2016/2017 would be paperless and that the success of this initiative would be reviewed at the September Committee meeting.

### **RETIREMENT OF GOVERNOR**

59 The Clerk reported that Melanie Simmonds had recently tendered her resignation as a governor. A recruitment process would be undertaken in the New Year, with particular emphasis being given to audit and financial management skills.

60 Governors were reminded that this resignation meant that there were now 2 vacancies on the Committee (one of which had resulted from the retirement of Denise Whitney). Any further changes to the Board's committee structure would be made as necessary to fill any gaps in membership.

### **ITEMS TO BE REPORTED TO THE BOARD**

61 The Chair summarised the key points that would be reported to the full Board at its meeting on 12<sup>th</sup> December 2016:

- Financial Statements and Representation Letter recommended for approval by the Board
- Risk Management update – procedures reviewed to take account of QIP actions
- Committee's self-evaluation – performance against key criteria was assessed and overall grading was a '1' or 'outstanding'.
- Audit Committee's Annual Report – to be submitted to the Board for information when considering the Financial Statements.

- Membership – 2 new governors to be sought for the Committee. Further changes to membership to be considered after new governors have been recruited.

#### **DATES OF FUTURE MEETINGS**

6<sup>th</sup> March 2017 at 4.30 p.m.

26<sup>th</sup> June 2017