



Audit Committee

Monday 21st November 2016

Minutes

Present:

Governors:

Fernando Garcia
Peter Green
Milton McIntosh (Chair)

Co-opted Governor:

Heidi Dixon

Observer:

Katie Feld

In Attendance:

Lydia Antoni (items 1 to 7)
Carol Kirkland
Katharine Patel (items 5 and 7)
John Rubinstein
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	ICT Risk Report
5.	Financial Statements Audit Report 2015-16
6.	Review of Audit Action Plan
7.	Additional Audit
8.	Fraud Report
9.	Health & Safety and Environment
10.	Additional Audit
11.	AOB
12.	Dates of Next Meetings

Minute	Decision or Recommendation	D/R
5.0	To recommend the 2015-16 Annual Report and Financial Statements to the Board for approval.	R

1. Governance

1.1 Apologies for Absence

Shaz Saraf and Hem Savla.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of the meeting of 19th September 2016 were approved and signed by the Chair.

2.2 As no part of the minutes was deemed to be confidential, these would be uploaded to the College website in their entirety.

BY to upload to web

3. Matters Arising

3.4.0 Regarding pensions, the College has still not received information from Capita to be able to issue annual benefits statements to its support staff.

7.0 The health and safety audit, conducted by OfficeTest, was shared with the Board and all outstanding actions have been added to the audit action plan.

10.0 Governors requested an update on the power outage situation. Carol

Kirkland informed the Committee that ‘power usage loggers’ have been added to the main and Hockman buildings to investigate whether some of the usage can be redistributed across the site. Power usage within the College continues to be high especially since entering the winter months. The College is now working with an electrical engineer who has provided a number of options for consideration. One option is to upgrade the panel and cabling that supply power to the main building, as this is 21 years old and is the smallest capacity available. In response to a question from governors, Carol explained that this is a short to medium term solution and would cost in the region of £50k. The governors asked the College to confirm with the electrical engineer that the power outage was definitely a result of the College exceeding its usage.

CK to discuss with electrical engineer.

4. ICT Risk Report

Heidi presented the Committee with the IT risk report highlighting the main risk is the loss of staff, given the size of her team. Heidi is exploring a number of options to mitigate this risk such as recruiting an additional apprentice as well as making College staff more self sufficient to ease the workload of her team. The Committee suggested the idea of IT champions, who would be a member of staff’s first point of contact if they had an IT issue.

In response to a question from governors, Heidi explained that, regarding change controls, SLT are always aware of changes that will impact the College in a large way.

The Committee also discussed the risk around vandalism and Heidi stressed the importance of students taking responsibility when they borrow equipment from the College. It was agreed that library staff must thoroughly check equipment when it is returned.

Governors questioned whether the IT team conduct stock takes of equipment. Heidi explained that this is usually carried out during the summer break and then updated throughout the year. However further work needs to be done to ensure that this mirrors the finance asset register.

5. Financial Statements Audit Report 2015-16

Katharine Patel (*Buzzacott*) was welcomed to the meeting. Katharine confirmed that the format of the Financial Statements Audit follows the new accounting standards but this does not largely impact the figures and findings.

The audit opinion was that *the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting practice, of the state of the College’s affairs as at 31 July 2016 and of the College’s surplus of income over expenditure for the year then ended.*

Katharine highlighted that the College generated an operating surplus of £133k for the year and added that this, along with ratios such as payroll/income and assets/liability puts the College’s financial health as outstanding.

Noting the increase in pensions liability, the Committee discussed whether to challenge this directly with actuaries. Katharine confirmed that there would be no large benefit in doing this and, as the EFA exclude this in their assessments, the College's financial health would remain outstanding regardless of the figure.

The Committee questioned whether the changes to the Finches would impact next year's accounts. Noting that the lease would be 10 years rather than 99 Katharine agreed to look into this issue and feed back to the College.

KP to investigate Finches.

Katharine drew the Committee's attention to a number of changes as a result of the new accounting framework, such as the College being encouraged to publish a statement on its reserves policy.

To be considered by F&O

The Committee also noted that the new accounting framework focuses on 'going concern' status and outlines the responsibility of governors to be confident of the College's financial stability, before approving the annual statutory accounts; namely that *in signing the financial statement the members of the Corporation are confirming that they believe Woodhouse College is a going concern and that in assessing the going concern status they have considered a period of not less than one year from the date of approval of the financial statements.*

JR/MM to highlight responsibility to Board when approval sought.

Noting page 16 of the post-audit report, which states that governors familiarise themselves with wrongful trading, the Committee requested that Buzzacott send information for governors to consider as future training.

KP to send through information for financial training.

The Committee agreed to recommend the 2015-16 Annual Report and Financial Statements to the Board for approval.

6. Review of Audit Action Plan

The Committee reviewed the audit action plan, noting that 16 of the 25 agreed actions have now been completed. These include all follow-up actions from the internal audit as well as those that were as a result of the health and safety assessment.

Lydia Antoni presented the Committee with an overview of the status for pensions compliance with Capita. The Committee was informed that the Auto-Enrolment document, outlining the processes and responsibilities, has been agreed and signed by the College and Capita. The Committee noted that the College has now given notice to Capita but there is a 15% exit fee for handing over information to the new provider.

Lydia also explained that she would be manually crosschecking auto-enrolment information to ensure that this is correct.

7. Internal Audit: Preliminary planning 2016-17

Governors reviewed the internal audit plan proposed by Buzzacott for the 2016-17 internal audit and agreed that the areas of coverage would be agreed at the Committee's January meeting.

8. Fraud Report

None.

9. Health & Safety and Environment

Carol Kirkland informed the Committee that there have been 48 incidents since the start of the academic year, compared with 28 this time last year. The Committee noted that this higher figure could be due to the 3G pitch, as it was not in use this time last year. Carol also confirmed that none of these incidents required RIDDOR notification and had not been caused by any negligence of the College.

10. Additional Audit

The Committee reviewed the fire safety assessment conducted by OfficeTest and raised some concerns regarding the accuracy of the report. Carol explained that she has raised this with OfficeTest but they are unwilling to amend their report

The Committee agreed that they were pleased that this work had been completed and independently from Buzzacott. However, it was agreed that the College would not use OfficeTest again.

Carol explained that she felt that the audit was comprehensive but agreed the report is not of good quality. For example, all recommendations were deemed low risk but of high priority and should be rectified within a month.

The Committee requested that Carol go back to OfficeTest with a management response to their recommendations, questioning their proposed timescales for action, and invite them to update their report. All actions from this assessment would be added to the audit action plan.

CK to liaise with OfficeTest and add actions to action plan.

11. AOB

As requested by the Board, the Committee asked that a paper detailing the requirements of the Modern Slavery Act is presented at the next meeting.

CK/JR to draft paper on MSA.

Governors noted that this will be Peter Green’s last meeting on the Audit Committee and thanked him for his valuable contribution over the years.

12. Dates of Next Meetings

12 th December 2016	Board Meeting
9 th January 2017	Annual Strategy & Training Event
23 rd January 2017	Audit Committee
20 th March 2017	Board Meeting
15 th May 2017	Audit Committee
10 th July 2017	Board Meeting

The meeting concluded at 7:24pm