



Audit Committee

Monday 16th May 2016

Minutes

Present:

Governors:

Fernando Garcia
Peter Green
Milton McIntosh
Hem Savla (Chair)

Associate Governor:

Shaz Saraf

In Attendance:

Carol Kirkland
Katharine Patel (*Buzzacott*)
John Rubinstein
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Internal Audit Report 2015-16
5.	Confidential Meeting with Auditors
6.	Review of Audit Action Plan
7.	Financial Statements & Regularity Audit Planning
8.	ICT Status Report
9.	Financial Regulations & Procedures
10.	Fraud Report
11.	Health & Safety and Environment
12.	Risk Management
13.	AOB
14.	Dates of Next Meetings

Minute	Decision or Recommendation	D/R
4.0	To recommend the 2015-16 Internal Audit Report to the Board for approval.	R
7.0	To approve the letter of engagement and scope of the Financial Statements Audit 2015-16.	D
9.0	To approve the Financial Regulations & Procedures subject to minor amendments suggested.	D
12.0	To recommend the 2015-16 Risk Management Policy and Plan to the Board for approval.	R

1. Governance

1.1 Apologies for Absence

None.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of the meeting of 25th January 2016 were approved with minor amendments and signed by the Chair.

2.2 As minute 8 was deemed to be confidential, it was agreed that this should be removed prior to the minutes being uploaded to the College website.

BY to upload to web

3. **Matters Arising**

8.0 John Rubinstein confirmed that he spoke to ICO, regarding the data protection dispute, who confirmed that the College should keep student information confidential should the student wish. This has been fed back to the parent in question and no further action has been taken.

4. **Internal Audit Report 2015-16**

Katharine Patel (*Buzzacott*) was welcomed to the meeting. Katharine drew attention to the audit opinions and recommendations. Overall five areas were reviewed as part of the internal audit:

- Follow up of 2014/15 report recommendations
- Direct tax and VAT health check
- Student records – Additional Learner Support
- Pension compliance and auto-enrolment
- Risk management and corporate governance

The Committee went on to discuss the pros and cons of creating a separate trading subsidiary, given the predicted increase in the lettings of the 3G pitch and requested that the auditors provide some financial illustrations of the pros & cons of creating a trading subsidiary. Governors agreed that this conversation should be taken to the Finance & Operations Committee and the auditors should be contacted if further support is needed.

BY to add to next
F&O agenda

The Committee agreed to recommend the 2015-16 Internal Audit Report to the Board for approval.

5. **Confidential Meeting with Auditors**

Neither the Governors nor the Audit Manager considered that there was any need for the Governors and Internal Auditors to meet on a confidential basis without college staff present.

6. **Review of Audit Action Plan**

The Committee reviewed the audit action plan. Governors noted that the Senior Leadership Team has now approved the data protection policy and requested that Buzzacott include a review of this in the next internal audit. The Committee also requested that College management continue to pursue Capita for responses to the recommendations made by the auditors.

7. **Financial Statement & Regularity Audit Planning**

Katharine Patel (*Buzzacott*) explained that the Financial Statements Audit would follow a similar format to previous years, as set out in the letter of engagement. Katharine detailed the timetable and scope of the audit, which again, would be similar to that of previous years.

The Committee noted various changes to the audit requirements such as the

transition to FRS 102 and the new guidance around holiday pay and government grants. Governors acknowledged that the College Accountant going on maternity leave could impact the audit but noted that a lengthy and detailed handover has taken place.

The Committee agreed the letter of engagement and scope of the Financial Statements Audit. The Committee also noted that the fee of the regularity audit has decreased, as set out in the terms of the original tender.

8. ICT Status Report

Governors were informed of the four IT outages that had taken place since January 2016. The Committee were satisfied with the explanations given by the MIS manager in the report.

John Rubinstein notified the Committee that the College is trialling a new solution for internet filtering, which includes coverage of Wi-Fi devices. However, this has caused some disruption to internet searching and Wi-Fi within the College. The settings have been modified so it is less disruptive but the College is still exploring a number of options.

9. Financial Regulations & Procedures

The Committee undertook its yearly review of the Financial Regulations & Procedures, noting the amendments that had been made by the new College Accountant and Director of Business Operations.

After reviewing both the Financial Regulations & Procedures in detail, the Committee agreed to approve these, subject to minor amendments suggested. The Committee thanked Kit Grandison for her hard work on these documents.

The Committee noted that currently any capital work over £25k is taken to the Finance & Operations Committee and then the Board for approval. The Committee agreed that the Board should discuss whether the Finance & Operations Committee should be delegated a spending limit of £50k, so the Board only has to approve works over this amount.

BY to add to next agenda.

10. Fraud Report

Carol Kirkland confirmed that there was nothing to report.

11. Health & Safety and Environment

Carol Kirkland informed the Committee that there had been 69 incidents since the start of the academic year, compared to 45 at the last meeting. However with the exam season now starting this could increase due to exam-related stress. Carol also confirmed that none of the recent incidents required RIDDOR notification and all incidents that had taken place on site had been investigated and it had been ascertained that none had been caused by any negligence on the part of the College.

The Committee were also provided with paperwork regarding the upcoming health & safety assessment being conducted by OfficeTest. Carol explained that

if the service provided were satisfactory OfficeTest would then conduct a fire audit during the summer break. The Committee agreed that the areas being covered as part of the healthy and safety audit were comprehensive.

12. Risk Management

The Committee reviewed the Risk Management Policy and Plan for 2015-16. John Rubinstein informed the Committee that this is still in draft form but the plan follows a similar format to previous years. The Committee noted the additional risks around the uncertainty of the sixth form sector and area-based reviews.

The Committee noted that there were a number of minor amendments but no material changes to the Risk Management Policy.

Therefore the Committee agreed to recommend the 2015-16 Risk Management Policy and Plan to the Board for approval.

13. AOB

None.

14. Dates of Next Meetings

4th July 2016 Board

The meeting concluded at 7:59pm