



## Audit Committee

**Monday 19<sup>th</sup> September 2016**

### Minutes

**Present:**

**Governors:**

Fernando Garcia  
Peter Green  
Milton McIntosh  
Hem Savla (Chair)

**Associate Governor:**

Shaz Saraf

**Co-opted Governor:**

Heidi Dixon

**In Attendance:**

Carol Kirkland  
John Rubinstein  
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Annual Report of the Audit Committee 2015-16
5.	Review of Audit Action Plan
6.	Internal Audit: Preliminary Planning
7.	Additional Audit
8.	Fraud Report & Policy
9.	Health & Safety and Environment
10.	AOB
11.	Dates of Next Meetings

Minute	Decision or Recommendation	D/R
1.2	To recommend that Milton McIntosh be appointed as Vice-Chair of the Audit Committee.	R
1.3	To approve the Terms of Reference of the Audit Committee, with one minor amendment.	D
4.0	To recommend the Annual Report of the Audit Committee to the Board for approval.	R
8.0	To approve the fraud policy with minor amendments.	D

#### 1. Governance

##### 1.1 Apologies for Absence

None.

##### 1.2 Declaration of Interest

None.

##### 1.3 Vice-Chair

The Committee agreed to recommend to the Board that Milton McIntosh be appointed as Vice-Chair of the Audit Committee. It was also agreed that Hem Savla would remain as Chair.

The Committee discussed the need for an additional member and were informed that the Chair of Governors has met with a potential candidate who will be attending the next Board meeting as an observer.

##### 1.4 Terms of Reference

As a matter of good practice, all committees review their Terms of Reference at the first meeting of the academic year.

The Terms of Reference of the Audit Committee were reviewed and approved with one minor amendment.

### **1.5 Meeting Times**

It was agreed that meetings of the Audit Committee would continue to start at 6:00pm.

## **2. Minutes of the Previous Meeting**

**2.1** The minutes of the meeting of 16<sup>th</sup> May 2016 were approved and signed by the Chair.

**2.2** As part of minute 4 was deemed to be confidential, this would be removed prior to the minutes being uploaded to the College website.

BY to upload to web

## **3. Matters Arising**

**4.0** The Principal informed the Committee that the College has contacted the Pensions Regulator regarding the service provided by Capita.

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

**8.0** The Clerk has discussed creating a spending delegation limit for the Finance & Operations Committee with the Chair of Governors and it was agreed that this would be revisited when approval for expenditure over the usual threshold was required.

## **4. Annual Report of the Audit Committee 2015-16**

Governors agreed to recommend the Annual Report of the Audit Committee to the Board for approval. The Chair thanked the staff and Committee for their work over the last year.

## **5. Review of Audit Action Plan**

The Committee reviewed each recommendation on the audit action plan and noted that;

- The Data Protection Policy has now been reviewed and approved.
- A signed document outlining the auto-enrolment process and responsibilities of Capita and Woodhouse has been drafted and signed by both parties.
- A training log for governors has now been created.
- The Governing Body has approved guidance regarding expenses contained within the financial procedures.

The Committee requested that actions which have not yet been completed are assigned target completion dates.

The Committee also encouraged management to challenge the recommendations of the auditors, as it was felt that many of the issues raise

have no material risk to the College.

## 6. Internal Audit Preliminary Planning 2016-17

The Committee reviewed the preliminary planning document as drafted by Buzzacott and agreed that the following areas would be reviewed as part of the internal audit:

- Follow-up work (10 hours)
- Payroll/HR (TBC)
- Purchasing and procurement (15 hours)
- Student records (10 hours)

The Committee requested that the auditor provide proposals for the number of hours for payroll/HR and outline the scope of the audit. The Committee noted that as the service provided by Capita was audited last year, this audit would only focus on the HR processes undertaken by the College.

CK to obtain additional information from auditors.

The Committee noted that 'student records' was also audited last year but were informed that this only covered additional learner support. This year's audit would include learner eligibility, learner attendance and the withdrawal and transfer of learners.

Finally, the Committee requested that BACS payments and data protection are also added to this audit. In addition to this, it was agreed that a draft internal audit plan for the following year, based on an analysis of the risk register and any other information available, should be included in every internal audit.

## 7. Additional Audit

At the request of the Committee, the College has had an independent health and safety risk assessment conducted by OfficeTest.

The Committee agreed that this was a valuable exercise and the scope of the audit was extremely comprehensive.

The Committee were informed that as a result of this audit;

- Relevant staff are undertaking manual handling training
- The College is regularly assessing trip hazards due to cables and extension leads.
- The College's employers liability insurance certificate has been made more accessible to staff.

The Committee requested that any outstanding actions are added to the audit action plan. It was agreed that a health & safety audit should be conducted every three years by an independent consultant. The Committee agreed that the final report from OfficeTest should be presented to the Board.

BY to add to Board papers.

In response to a question from governors, Carol Kirkland informed the Committee that OfficeTest would be revisiting the College to conduct a fire safety assessment.

## 8. Fraud Report

Carol Kirkland confirmed that there was nothing to report.

The Committee were presented with the latest fraud policy, noting that there have been no changes since it was last approved. Therefore the fraud policy was approved with minor grammatical amendments.

**9. Health & Safety and Environment**

Carol Kirkland informed the Committee that there had been ten incidents since the start of the academic year, compared to one this time last year. Carol also confirmed that none of these required RIDDOR notification and had not been caused by any negligence on the part of the College.

**10. AOB**

The Committee were informed that last week saw a complete outage of power within the College for around an hour. The Principal explained that this is due to the College exceeding its maximum power limit. As a short-term solution, Carol Kirkland is looking into ways of reducing power within the College, such as LED lights. The Committee were informed that the long-term solution would be to purchase an additional power source. However this is likely to cost in excess of £200k and could take up to 18 months to complete. The Committee noted this with concern and requested that power outages be added to the College risk register.

JR to add to risk register.

**11. Dates of Next Meetings**

31 <sup>st</sup> October 2016	Board Meeting
21 <sup>st</sup> November 2016	Audit Committee
12 <sup>th</sup> December 2016	Board Meeting
9 <sup>th</sup> January 2017	Annual Strategy & Training Event
23 <sup>rd</sup> January 2017	Audit Committee
20 <sup>th</sup> March 2017	Board Meeting
15 <sup>th</sup> May 2017	Audit Committee
10 <sup>th</sup> July 2017	Board Meeting

The meeting concluded at 7:40pm