

Hereford College of Arts

Minutes of the Meeting of the Audit Committee held on Tuesday 13 June 2017

Present: - Mr Mike Rookes (Chair)
Mr Graham Briscoe (Co-opted Member) [by telephone]
Ms Alison McLean
Ms Katie Seekings

In attendance: - Mr Tim Williams (Finance Director)
Miss Jane Simons (College Accountant)
Ms Abigail Appleton (Principal)
Ms Louise Tweedie (RSM)
Mrs Linda Watkins (Clerk to the Governors)

The meeting was quorate as a minimum of four Members of the Committee were present throughout the meeting.

	Action
1. Apologies for Absence Dr Elizabeth Halford	
2. Declarations of Interest No declarations	
3. I. Minutes of the Last Meeting The Chair signed the minutes of the last confidential meeting without Auditors and minutes of the meeting held on 7 April 2017 as true record subjects to the two final sentences in 'point 8 risk 3' which were deleted.	
II. Matters arising from the Minutes of the Last Meeting	
A. The Art teachers' forum had been cancelled but would be reconvened to dovetail into the Brian Hatton exhibition and provide CPD for art teachers. It was anticipated that this would increase attendance and impact.	
B. The Board had agreed that the terms of reference for the Audit Committee and F&GP Committee should be amended to state that the Chair of Audit Committee would present the financial statements to the Board for approval.	L Watkins
C. Louise Tweedie confirmed that the Internal Auditor's next follow up audit would highlight recommendations which were more than twelve months old.	
D. A high level employer engagement strategy was being developed which could potentially incorporate provision of services for graduates such as workshops and lectures, in addition to employment opportunities.	
E. SMT had discussed Prevent and the action plan immediately following the last Audit Committee. Course Leader assessments had been put in place for FE but not HE. HEFCE have some guidance in this area which would be assessed during the summer and reported to the AQ&S	

Committee

- F. Prevent training remained outstanding for two members of staff; this was being addressed. Governors agreed that this was encouraging as there is constant staff turnover in organisations.
- G. IT back up practices had been included in the course validation as part of the professional practice module. The IT Manager ensures students are reminded about IT back-up during induction.
- H. SLT had agreed to do a scenario testing paper exercise with staff before the end of July. The Co-opted Member referred to the Committee's terms of reference suggesting that the Chair of the Committee attend any planned event and report effectiveness to the Committee which would provide assurance. Either the Chair or Co-opted Member would be involved.
- I. The Principal had contacted Herefordshire Council regarding consultation of the Local Plan for College Ward.

The Committee agreed:-

- To approve the minutes

T Williams

4. Internal Auditor's Reports

Louise Tweedie presented the reports: -

- I. Progress Report: This confirmed that all audits scheduled in the audit plan had been completed. Sector briefings were presented covering HE and FE including changes to data protection legislation which would come into effect in May 2018. An audit of compliance to the General Data Protection Regulations was proposed in next year's internal audit strategy. The Office for Fair Access (OFFA) has published strategic guidance for HE providers submitting their 2018/19 access agreements. This would be presented to the AQ&S Committee at the appropriate time.
- II. Key Financial Controls: This audit covered payroll, expenses, procurement and payments. Reasonable assurance was given with three medium and seven low level recommendations. There was discussion about some overtime claim forms which did not have a declaration by staff or sign off by a line manager. The College Accountant confirmed that the system was robust with several managers involved in checking and signing off overtime; she reassured Governors that requests for overtime are required in advance. Hand-over of responsibility to count money needed to be balanced against cost and benefits; this was accepted. A Governor asked if non-tendered contracts are reported to the Committee noting that this is reported annually in November.
- III. Learning Number Systems: This report gave substantial assurance with one medium and one low level recommendation. Compliance against previous EFA funded students was tested. The sample showed that the College could not verify the date of transfer for a student who had transferred from one learning aim to a different level course.
- IV. Internal Auditor's Strategy 2017/18-2019/20: The 3-year

J Walmsley

strategy had been prepared in discussion with the Director of Finance and College Accountant. This linked to the College's strategic plan and the risk register whilst taking account of sector requirements or changes. Specific areas for 2017/18 were outlined covering General Data Protection Requirements, CMA (Competition and Markets Authority) and how the College responds to HE Providers' advice of consumer protection law, key financial controls, UKVI compliance (requirements for international students) and follow up audit. The timing of audits could be adjusted to fit in with Financial Statements audit and dates of Audit Committee. An audit in HR was not planned but elements could be covered as part of other audits.

The Committee agreed: -

- To note the reports from RSM
- To recommend the Board approve the Internal Audit Strategy 2017/18-2019/20

5. Risk Management Register and Report

- I. Risk Register and Report: The Finance Director presented the report with discussion by Governors. It was agreed that GDPR and Data Protection was not a strategic but an operational risk which would be reported to Governors following an audit by RSM.

Risk 4: 'There is a change in senior postholder' would be amended to include changes to managers.

T Williams

- II. Risk Management Policy: The policy would aim to ensure that the College complies with risk management best practice including Turnbull guidance. Key objectives were aligned to the strategic plan. An evaluation of risks, scoring and descriptors for impact and probability were provided. The process to re-score, report, manage and communicate risks throughout the College from staff to the Board was incorporated.

- III. Board Assurance Project: The Chair, Clerk and Finance Director were participating in a board assurance project. The final report would be shared with the Committee for discussion to determine if further action was required.

The Committee agreed: -

- To note the risk register and report
- To recommend that the Board approve the Risk Management Policy which was comprehensive and succinct
- To note the update on the board assurance project

6. Recommendation Tracking

SLT would discuss the tracker before completed recommendations are removed. Additional risks had been added following recent audits.

T Williams

A Governor proposed new dates for recommendations which had been exceeded. Recommendations 7 and 8 would be combined

into a single value for money and a procurement strategy; the date would be revised to 30 November 2017. An option to introduce staff training online for safeguarding, equality and diversity, and health and safety could be considered. The Finance Director would review dates for all outstanding dates.

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The Committee agreed: -

- To note the recommendation tracker and progress

7. ICO publication: Preparing for the General Data Protection Regulation (GDPR) and checklist to self assessment toolkit

This was issued for information which would be audited as part of the internal audit strategy next year. A useful checklist was available online to assess compliance and actions required. The Finance Director is the Data Controller and would undertake further research on requirements.

The Committee agreed: -

- To note the GDPR guidance

8. Annual items for Committee

- I. Election of Chair 2017/18: The Committee agreed to re-appoint Mike Rookes as Chair.
- II. Committee's self assessment: Members assessed the Committee's performance against its terms of reference. The Clerk had compiled evidence of effectiveness; the Committee agreed assessment against non-tendered contracts and disaster recovery planning should be added.
- III. Terms of reference: These would be cross-referenced to ensure that they met requirements of ACOP; no major changes were anticipated.

L Watkins

The Committee agreed: -

- To re-appoint Mike Rookes as Chair of the Committee for 2017/18
- The Committee was effective and adequately met the requirements of its terms of reference
- The Clerk would cross-reference the terms of reference against the ACOP

9. Any Other Business

10. Date and Time of the Next Meeting

The next meeting was revised to Monday 20 November 2017 commencing at 1.30pm.