



**Minutes of the Meeting of the Audit Committee  
held on Monday 11 June 2018**

**Present: -** Mr Graham Briscoe (Co-opted Member)  
Dr Elizabeth Halford  
Ms Alison McLean (Chair for the meeting)  
Ms Katie Seekings

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

The meeting was quorate as four Members of the Committee were present throughout the meeting. In the absence of the Chair, Alison McLean was appointed to chair the meeting

**1. Apologies for Absence**

Mr Mike Rookes

**2. Declarations of Interest**

None declared.

**3. I. Minutes of the Last Meeting**

The Chair signed the minutes of the last meeting held on 26 March 2018 as a true record.

**II. Matters arising from the Minutes of the Last Meeting**

All matters arising had been addressed.

The Committee agreed:-

- To approve the minutes

**4. RSM Internal Auditor's Reports**

Louise Tweedie presented the following reports.

- I. Client briefings including 'beyond the balance sheet', FE risk management and legislative updates had been provided. A GDPR training course for Governors was suggested as good practice which would be identified.

**ACTION: CLERK TO THE GOVERNORS**

In discussion about the briefings it was confirmed that the College adopts the AoC model policy as its whistleblowing policy. Exit interviews with staff and students and effective student engagement could be tools to identify issues before reaching the stage of whistleblowing. Modern Slavery legislation would not affect the College based on its size; however, student enterprise and

employability training covers potential exploitation in the event that employers might try to take advantage of students, even after graduation. The new payroll system will report on gender pay which could be included in the annual personnel report. Discussion progressed to equality and diversity and if this was taken into account when recruiting staff. It was agreed that training in this area could be useful for SLT and programme managers. Money laundering, tax evasion and bribery briefings were also provided. A suggestion was made to the Auditors to provide corporate level client briefings on safeguarding and health and safety in future. The risk management report provided a comparison of risks with colleges in 2016 and 2018 which showed commercial/operations, recruitment and HR and quality remain the highest risks. A question about the Insolvency Act was raised noting that the Funding Agency will no longer be required to bail out failing colleges meaning that banks will be unlikely to lend to colleges and liability placed on Governors. It was confirmed that the College has liability insurance.

- II. The benchmarking report had been emailed with no major issues identified.
- III. The progress report was noted showing that the GDPR audit had been deferred to July. A benchmarked report on GDPR was provided showing progress in the sector to date.
- IV. Higher Education Framework had selected key controls in respect of Competition and Markets Authority (CMA), HEIFES and Student Loans Company (SLC) Compliance. This gave reasonable assurance with four medium and five low level recommendations which were accepted by management. There was a question about who has responsibility for CMA and HEIFES return which are the responsibility of Registry and the Finance Director which the Principal signs off. A further question followed if the College has sufficient resources to address these which were confirmed. Awareness raising through HEMT is ongoing regards completion of paperwork for the Student Loans Company.
- V. UKVI Compliance Arrangements: Tier 4 report had reviews compliance with international students. The College has five applicable students. Substantial assurance was provided with two recommendations regarding systems to measure attendance and compliance. A Governor asked about the trigger points to take action if a student was absent which would be taken immediately.
- VI. Follow Up: Progress of recommendations and status was presented. There had been some staff absence and changes which had hindered progress in some areas. Actions will be added to the recommendation tracker.  
**ACTION: FINANCE DIRECTOR**
- VII. Internal Auditor's Strategy 2018/19-2020/21. The 3-year strategy had been prepared in discussion with the Finance Director and College Accountant. This linked to the College's strategy and the risk register whilst taking account of sector requirements or changes. Specific areas for 2018/19 were outlined covering the payroll system which had recently been implemented, learner numbers, recruitment and selection and IT core controls.

The Committee agreed: -

- To note the reports
- To recommend the Board approve the Internal Auditor's Strategy 2018/19-2020/21

5. **Mazars Audit Strategy Memorandum 31 July 2018**

Carol Davey presented the strategy outlining Mazars approach to the audit, significant audit risks and areas of key judgements. The audit will test if the College is a going concern. There was a question if RSM's work would be considered noting that this could not be relied on but would be used to guide work.

The Committee agreed: -

- To recommend the Board approve Mazars Audit Strategy Memorandum to 31 July 2018

6. **Risk Management Register and Report**

The Office for Students (OfS) application had been submitted. The College is working on improvements identified in its self assessment. This is a new process with uncertainty about the response and conditions which might be imposed on the College.

The College's relationship with its validating partner had increased marginally. The Vice Principal is retiring with a new appointment of a Head of HE which had been made following a robust recruitment and selection process.

The property agents are continuing to work on behalf of the colleges regarding the rent review. Rental for Dowdell Hall has been negotiated with a 12 month lease. There are students waiting to sign contracts for accommodation. This delay could potentially effect student enrolments. The College are managing the student experience with questionnaires to students.

HE applications had decreased compared to the same time last year. SLT would review if courses were viable to provide next year and report to the AQ&S Committee. It was agreed that if any courses are suspended, communication would be crucial.

FE recruitment will fluctuate until enrolment. There was a question if there was any research on feeder schools and if there was any consistency. The College collected data which showed inconsistencies.

The Committee agreed: -

- To note the risk register agreeing that the summary of changes was extremely useful

7. **Recommendation Tracking**

The Finance Director confirmed that the document had been reviewed following the last Committee meeting. Some actions would be removed by SLT and it was agreed that, in future, SLT should review the recommendation tracker before it was reported to the Audit Committee.

**ACTION: FINANCE DIRECTOR**

Several implementation dates need to be amended and completed actions removed.

**ACTION: FINANCE DIRECTOR**

The Committee agreed: -

- To note the recommendation tracker and progress
- SLT would review the recommendation tracker in advance of the Audit Committee

8. **Any Other Business**

No items

**9. Annual items for Committee**

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 post-16 ACOP and make reference to meeting requirements of all regulatory bodies

**10. Date and Time of the Next Meeting**

The next meeting was arranged for Monday 3 December 2018 commencing at 1.30pm.

**Signed as a true record of proceedings:**

**Chair:** ..... **Date:** .....