



**Minutes of the Meeting of the Audit Committee
held on Monday 10 June 2019**

- Present: -**
- Mr Mike Rookes (Chair)
 - Mrs Alison McLean
 - Ms Katie Seekings
 - Mr Graham Briscoe (Co-opted Member)
 - Ms Emma Lewis (Co-opted Member)
- In attendance: -**
- Mr Tim Williams (Finance Director)
 - Miss Jane Simons (College Accountant)
 - Mrs Linda Watkins (Clerk to the Governors)
 - Ms Abigail Appleton (Principal)
 - Ms Laura Goodwin (RSM)
 - Mr Ed Blackman (RSM)
 - Mr Jon Marchant (Mazars)

The meeting was quorate as five members of the Audit Committee were present;

1. **Apologies for Absence**
No apologies
 2. **Declarations of Interest**
None declared
 3. **I. Minutes of the Last Meeting**
The Chair signed the minutes of the meeting held on 18 March 2019 as a true record.
 - II. Matters arising from the Minutes of the Last Meeting**
These had been actioned.
- The Committee agreed:-
- To approve the minutes
4. **RSM Internal Auditor's Reports**
 - I. The progress report confirmed all reports had been finalized. Several briefing papers attached to the report for information.
 - II. The follow up report confirmed that reasonable progress had been made with some actions in progress. Medium level actions related to GDPR which was an advisory report. These were outlined noting several updates to policies were required. A temporary policy assistant had been appointed who had developed templates and policies to ensure compliance to the Prevent Agenda guidelines. An HE Operations Manager has been appointed whose role will include ensuring policies in place and implemented. It was agreed that November 2019 was realistic for implementation. Governors have received Prevent Agenda training. There was a question if SU officers complete training agreeing that the online Prevent training should be extended to SU officers. The Head of FE is preparing a safeguarding self assessment. Online registers will track international students'

attendance; this is low risk as the College only has four international students this year. A tuition fees policy is being developed for September 2019. Course amendment forms were not always signed by curriculum managers; systems are being implemented to improve efficiency. Data protection and compliance to GDPR was discussed with an option to buy in the service to ensure compliance.

- III. IT Core Controls was given reasonable assurance with five medium and five low recommendations. An IT strategy was required linked to the College's strategy. Up to date policies and procedures would be available for staff and students to access on Moodle. Cyber security refresher training for long standing members of staff was being arranged. A system to follow up anti-virus software on computers was required. The Network Manager was not notified of changes made to the firewall; this had subsequently been implemented. The business continuity plan required updating which was dated 2017. A Governor asked for clarification about changing access to acceptable websites in relation to gambling. This related to staff and students who should not be able to access certain websites from College. A Governor commented that HCA is a small College and team with the auditors using the same checklist applied to large FE colleges. This was recognised but concluded that systems still need to be robust.
- IV. Key Financial Controls had tested the payroll system and Wisepay with reasonable assurance. Medium recommendations were outlined including timing to authorise new starter forms. Payment of expenses needed to be authorised by the Finance Director prior to paying staff by BACs. It was agreed that the levels of authority needed to be amended within the finance team. Knowledge sharing was raised which was confirmed using Wisepay which ensured appropriate staff cover of duties.
- V. Learner Numbers was a positive report with substantial assurance. There were only low level recommendations.
- VI. Internal Auditor's Strategy 2019/20-2021/21 had been prepared in discussion with the Finance Director. This included health and safety, testing procurement and creditors, strategic planning, mental health and wellbeing. Management actions would be followed up. SLT had agreed that the planned audits would be useful and add value.

The Committee agreed: -

- To note the Internal Auditor's reports and the briefing
- To recommend the Board approve the Internal Auditor's Strategy 2019/20-20/21

5. Other Audit Reports received by the College

- I. The UK Visa and Immigration Audit Report confirmed that the College is compliant to its requirements.
- II. The DSA (Disabled Student Allowances) QAG Report was positive confirming that the College had received accreditation.
- III. The Matrix Standard is completed as an annual continuous improvement check which was an excellent report.

The Committee agreed: -

- To note the reports which were positive

6. Mazars Audit Strategy Memorandum 31 July 2019

Jon Marchant presented the strategy outlining Mazars approach to the audit,

significant audit risks and areas of key judgements.

Pension actuaries are required to test TPS and LGPS schemes for GNP pension equalisation for men and women. Its impact is unknown and could be included in the P&L account if quantifiable.

The audit will test if the College is a going concern for 12 months from December 2019 which will include the impact of increased TPS employer contributions. The Insolvency Regime has been introduced with thresholds which will be difficult for some college's to achieve.

Key briefings were appended to the strategy including the Insolvency Regime, the new College Accounts Direction with increased disclosure on the executives' remuneration and Brexit impact. The Clerk confirmed that the College had adopted the AoC Senior Staff Remuneration Code.

The Committee agreed: -

- To recommend the Board approve Mazars Audit Strategy to 31 July 2019

7. Risk Management Register and Report

The Finance Director outlined changes to the risk register which had increased the risk to post-18 education following publication of the Auger Review which proposed a reduction in HE tuition fees from £9K to £7K. A Governor asked about the impact on graduate salaries particularly in art and design asking if there was a representative group. The Principal explained that the College is part of GuildHE which is a lobbying group for small specialist institutions which has convened a group to lobby specifically in the creative arts.

High-scoring risks remained unchanged including new OfS requirements, accommodation and student numbers.

The Committee agreed: -

- To note the risk register

8. Recommendation Tracking

The Finance Director outlined the tracker which included the percentage of completion against recommendations. It was noted that some dates have not been reached with a question if there were any recommendations which the Finance Director anticipated would not be achieved to date. Recommendations which are not achieved will be brought to the Committee to agree revised dates.

ACTION: FINANCE DIRECTOR

The Committee agreed: -

- To note the recommendation tracker and progress

9. Annual items for Committee

The Committee agreed: -

- To appoint Mike Rookes as Chair of the Committee for 2019/20
- The Committee self assessed its performance concluding that it was effective and adequately met the requirements of its terms of reference
- No changes were required to the terms of reference

10. Any Other Business

No items.

11. Date and Time of the Next Meeting

Monday 2 December 2019 commencing at 1.30 pm.

Signed as a true record of proceedings:

Chair: **Date:**