



## AUDIT COMMITTEE

### Minutes of Meeting on Tuesday 20 September 2016

<b>Present:</b>	Mr H Hadani	Chair
	Ms N Cuffy	Governor
	Mr J Pain	Governor
<b>In Attendance:</b>	Ms S Overton-Edwards	Principal
	Mr H Ravat	Vice-Principal Resources
	Mr R Mansfield	Clerk
	Mr M Ashton-Blanksby	ICCA ETS

Ref.		Action
A/16/17	<p><b>Item 1 – Apologies for Absence:</b> Apologies for absence were received from Margo Moore and MacIntyre Hudson. The meeting was declared quorate. Harnish Hadani welcomed Mark Ashton-Blanksby to the meeting.</p>	
A/16/18	<p><b>Item 2 – Declarations of Interest in Agenda Items:</b> There were no declarations of interest in agenda items.</p>	
A/16/19	<p><b>Item 3 – Minutes of Meeting on 11 May 2016 and Matters Arising:</b> The minutes of the meeting on 11 May 2016 were accepted as an accurate record and were duly signed by Harnish Hadani. The single action required had been taken.</p>	
A/16/20	<p><b>Item 4 – Recommendation Tracking:</b> Hamid Ravat presented the recommendation tracking report. Timely actions had been taken in accordance with the internal audit report for 2015/2016, except insofar as the updating of the Health &amp; Safety policy had been delayed by the resignation of the previous Estates Manager. The updated policy would be brought to the Board by the end of the current term. <b><i>The Committee received the recommendation tracking report.</i></b></p>	
A/16/21	<p><b>Item 5 – Annual Report of the Internal Auditors 2015/2016:</b> Hamid Ravat presented the annual report of the internal auditors for 2015/2016 in the absence of MacIntyre Hudson. The internal audit had been completed within the planned number of 15 days. A total of nine recommendations had</p>	

been made, as considered by the Committee in March 2016. The report contained the opinion of MacIntyre Hudson that the College had adequate and effective management, control and governance processes to manage the achievement of its objectives. The auditors had provided an assessment of their performance to the effect that they had delivered as required against all performance indicators. Hamid Ravat concurred with this assessment. It was agreed that a letter of thanks should be sent to MacIntyre Hudson.

HR

Mark Ashton-Blankley advised the Committee that it was now mandatory to publish the annual report of the internal auditors alongside the College's Annual Report.

HR/RM

***The meeting received the annual report of the internal auditors.***

A/16/22

**Item 6 – Internal Audit Plan 2016/2017:**

Mark Ashton-Blankley said that ICCA ETS had been delighted to be awarded the contract for the College's internal audit service. His firm was a specialist in providing audit and related services to the FE sector.

He then presented the internal audit strategy proposed for 2016/2017. The strategy set out the responsibilities of the internal auditors as defined under the Joint Audit Code of Practice and Public Sector Internal Audit Standards. This was followed by an explanation of the process by which the strategy had been developed. The approach had drawn upon the key residual risks as identified in the College risk register to complete an organisational assessment. The internal audit plan focused upon six risk areas, including the Area-Based Review. In respect of the latter provision had been made for advisory input, to be defined in the light of emergent needs. Mark Ashton-Blankley confirmed that there might be flexibility in the allocation of planned resource to meet the College's priorities. He invited the Committee to approve the proposed plan.

During the discussion it was noted that retention had become an even more important issue in the light of the College's highly successful recruitment. Jim Pain said that he felt the approach was over-complicated, although he was unable to offer specific suggestions for simplifying it. Harnish Hadani advised the meeting that the plan was soundly based. It was agreed that the internal auditors should in the interests of simplicity report to the Committee on an exception basis, with a full report attached as an appendix.

***The Committee endorsed the proposed internal audit plan for 2016/2017.***

A/16/23

**Item 7 – Risk Management:**

*7.1 Risk Register*

Robert Mansfield reminded the meeting that the risk register

had last been updated in May 2016. It had not been appropriate to include the register on the agenda for the Committee's meeting on 11 May, as that meeting had been concerned solely with the selection of the provider of the internal audit service. The risk register had therefore been considered in summary by the Board in June 2016. It was for the Committee now to provide the customary thorough scrutiny, whilst recognizing that the update had been carried out in May.

Suzanne Overton-Edwards then presented the risk register, focusing on changes and risks with the highest residual scores. It was noted that the wording and scores of various risks would require amendment in the light of recent changes, for example the termination of the sub-contracting arrangement with GEMEG and strong student recruitment.

***The meeting received the risk register.***

#### *7.2 Board Assurance Policy*

Robert Mansfield advised the meeting that he had recently reviewed the board assurance policy and believed that it remained fit for purpose. He therefore recommended that the Board should be invited to reconfirm the policy without modification.

***The meeting commended the board assurance policy to the board for ratification without amendment.***

RM

A/16/24

#### **Item 9 – Committee Self-Review 2015/2016 and Targets for 2016/2017:**

Robert Mansfield presented a short paper analyzing the Committee's performance against its targets for 2016/2017. All targets had been met, except that it had been possible, for reasons earlier explained, to review the risk register once only rather than twice during the year. This omission had been put right under the previous agenda item. He recommended that for 2016/2017 the same targets should be retained, with the deletion of target 11 – the retendering of audit services.

***The meeting received the review of its performance and endorsed the targets proposed for 2016/2017.***

A/16/25

#### **Item 10 – Annual Report of the Audit Committee:**

Robert Mansfield presented a draft annual report of the Audit Committee for 2015/2016. This was a factual account of the membership, meetings, terms of reference, activities and performance of the Committee during the year.

***The Committee endorsed the report and commended it to the Board.***

RM

A/16/26

#### **Item 6 – Date and Time of Next Meeting:**

The date and time of the next meeting of the Committee were confirmed as Thursday 1 December 2016 at 5.30 p.m.

This would be a joint meeting with the Finance, Staffing & General Purposes Committee.

**A/16/27**

**Item 7 – Any Other Business:**

There was no other business.