



AUDIT COMMITTEE

WENDESDAY 22 JUNE 2016

Report: Minutes of the meeting held on Wednesday 3 February 2016
Author: Clerk
Action: Approve
Status: Open

Present: Chris Macklin (Chair)
Darren Heathcote
Neil Weddle

In attendance: Kimberley levins (Acting Clerk)
Suzanne Clark (Minutes)
Claire Leece (RSM)
Robert Auty (PWC)

A/571 Welcome / Apologies / Conflicts of Interest

The Chair welcomed all to the meeting. Apologies were received from Judith Doyle, Karen Finlayson and Gareth Rowe.

Members were invited to declare any interests on any item on the Agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item result in a potential conflict of interest, this should be indicated in the meeting.

A/572 Minutes of the last meeting dated 7 October 2015

The minutes of the meeting held on 7 October 2015 were agreed as a correct record.

A/573 Minutes of the joint meeting with Corporate Services Committee dated 2 December 2015

The minutes of the meeting held on 2 December 2015 were agreed as a correct record.

A/574 Matters arising including action log

The Chair asked whether some outstanding information had been received in December in order to sign off the Financial Statements for year ending 31 July 2015. It was confirmed that all information was received and signed off in advance of the deadline.

The Chair advised that both actions identified on the action log have been completed. Action logs are now to be used by all Committees to ensure any required actions are followed up.

A/575 FSA Subcontractor Assurance

The report was presented by the Deputy Principal: Operations / Finance Director.

It was reported that external assurance is undertaken to meet SFA funding requirements. A comprehensive audit was undertaken by RSM looking at all aspects of subcontracted provision. Three recommendations were made, including appropriate checks on key individuals (not just organisations) in relation to safeguarding and meeting the Prevent duty, which the College will endeavour to put in place; provision commencing prior to contracts being signed (it was noted that in this case provision was started at the contractor's own risk), which the College will address; and the monitoring and quality assurance planning document, which was not as comprehensive as it could be. The College has fine-tuned this document.

Claire Leece advised that the work had been undertaken by a separate team within RSM, from a separate office, and she had no involvement in the process. This approach ensured independence and gives wider assurance that experts in the field undertook the work. Feedback from team who undertook the audit was that the College was very helpful during the audit process.

The Committee was assured that subcontractor provision is expected to be of the same level that is expected of the College's direct provision.

The Chair asked Claire Leece to pass on his appreciation to the team at RSM for their robustness of approach in relation to this work.

The report was noted.

A/576 Internal Audit Progress Report

The report was presented by Robert Auty (PWC).

It was reported that 3 audits have been scoped out including HR (Learning and Development), Key Financial Controls and Health & Safety and PWC has met with lead managers to plan this work. PWC is currently finalising terms of reference and dates have been agreed. Audits are due in April for Business Development and IT which will be scoped out in the near future.

The Committee was advised that as subcontracting has been audited recently, following the external audit by RSM, there are 8 days of planned work which could be reallocated. The Committee was asked if there is an area which they would like to concentrate these days on instead. The Chair asked the Deputy Principal: Operations / Finance Director for his thoughts on this and whether it would be advisable to focus on areas around added value. The Deputy Principal: Operations / Finance Director advised that his first thoughts would be focused on ensuring student records are fully compliant in advance of a funding audit in the Summer, which has always been a key area and is not currently in the plan. The Chair suggested something around fraud awareness training which would be added value. It was felt that this would be useful. A member advised that recent issues in the NHS have been in relation to staff fraudulently claiming flexi time. Robert Auty confirmed that it would be sensible to use the 8 days to add value and it would be a good opportunity to review the College's policy on fraud and potentially offer workshops and training to staff. The Chair felt that splitting the time between the two areas discussed (learner numbers and fraud awareness training) would be a very sensible approach. Deputy Principal: Operations / Finance Director and Robert Auty to meet and discuss and agree approach.

The Chair commented that this would provide further assurance, and would involve an audit of areas that other colleges do not audit.

A member asked for further detail in relation to the Key Financial Controls audit. Robert Auty advised that this audit will focus on the implementation of the new finance system and key processes rather than duplicating work undertaken by external audit team. It was agreed that further discussions were needed with Robert Auty, Claire Leece and the Deputy Principal: Operations / Finance Director to agree the approach to this.

The Chair suggested that the meeting planned for June 2016 was too late to submit a revised plan and advised that he would be happy to be involved prior to June to agree approach in terms of reallocating the days. The Chair commented that good progress is evident from the plan.

Action: JH / RA to agree how to reallocate days no longer needed to review subcontracting.

Action: JH / RA / CL to agree approach to Key Financial Controls audit.

The report was noted.

A/577 Follow up on previous recommendations

The report was presented by the Deputy Principal: Operations / Finance Director.

This item is CONFIDENTIAL and not for publication.

The report was noted.

A/578 Risk Management Plan

The report was presented by the Deputy Principal: Operations / Finance Director.

This item is CONFIDENTIAL and not for publication.

The report was noted.

A/579 Any Other Business

There was none.

A/580 Date of next meeting

The date of the next meeting was confirmed as Wednesday 22 June 2016 at 4.30pm.