



AUDIT COMMITTEE

WEDNESDAY 27 MARCH 2019

Report: Minutes of the meeting held on Wednesday 3 October 2018
Author: Clerk
Action: Approve
Status: Open

Present: Chris Macklin (Chair)
Darren Heathcote
Neil Weddle

In attendance: John Holt (Deputy Principal: Operations / Finance Director)
Lynn Chambers – (RSM – External Audit)
Karen Finlayson (PWC – Internal Audit)
Katie McCormack (PWC – Internal Audit)
Sally Cooper (Clerk)

A/671 Welcome / Apologies / Conflicts of Interest

The Chair welcomed all to the meeting. Apologies were received from Judith Doyle and Claire Leece (RSM – External Audit). In addition, it was noted that Karen Finlayson (PWC – Internal Audit) would be dialling in to the meeting at 5pm so was not currently present.

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/672 Minutes of the last meeting dated Wednesday 20 June 2018

It was noted that Katie McCormack's name was misspelt on the attendance list. Save for this amendment, the minutes of the Audit Committee meeting held on 20 June 2018 were agreed as a correct record.

A/673 Matters Arising

There was a matter arising under heading A/665, in relation to the External Auditor approaching the tenth year of auditing the College, meaning additional safeguards would be required.

Lynn Chambers (RSM – External Audit) and Katie McCormack (PWC – Internal Audit) left the meeting at this juncture and a discussion was had amongst the remaining members as to how to deal with this matter.

It was agreed that the matters on the agenda would be considered in a different order, to facilitate the Internal Auditor dialling in at 5pm.

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The Committee noted the benefits of being able to have a period of discussion without the Auditors present and agreed that one of the Audit Committee meetings in each year, up to 30 minutes should be scheduled for the Committee to meet and discuss any matters required without the External and Internal Auditors present.

Lynn Chambers (External Auditor) and Katie McCormack (PWC – Internal Auditor) re-joined the meeting.

A/674 Financial Statement Audit Year End 31 July 2018

The verbal update was presented by Lynn Chambers (RSM) as External Auditor.

An update was provided to the Committee on the progress of the external audit. The audit team was currently in its second week on site and no matters had arisen to date of which the Audit Committee should be made aware. It was currently anticipated that the clearance meeting would take place in a few weeks' time and it was envisaged that the process this year should be smooth as there have been no changes to accounting rules or procedures.

Karen Finlayson (PWC – Internal Auditor) then joined the meeting by telephone.

The Chair reminded the External Auditors that he was available should the external auditors need to speak with him at any time during the audit process.

The verbal update was noted.

A/675 TPA Assurance

The verbal update was presented by Lynn Chambers (RSM) as External Auditor.

The Teacher's Pension Scheme Assurance had been undertaken by RSM and the declarations circulated to the Committee showed that RSM had found no difference between the projected and actual contributions of the College. A clean audit report had therefore been submitted in advance of the deadline.

The verbal update was noted.

A/676 Follow up on Audit Recommendations

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

It was noted that the vast majority of audit recommendations had now been completed, with updates shown in red. Those matters still in progress had shown good movement towards completion.

The Chair noted the positive progress, the reasons why some matters were still in progress and noted that reasonable target dates had been set in order to ensure good progress going forward.

The report was noted.

A/677 Internal Audit Report

The reports were presented by Katie McCormack (PWC) as Internal Auditor.

It was noted that the social media governance report had been carried out by a subject matter expert in PWC, who had reviewed the College's social media maturity rating against other institutions and competitor analysis had been undertaken.

The Chair commented that the report was encouraging as it indicated that it was where the Committee would hope the College should be in terms of its messaging on social media being perceived and understood by its audience.

In response to a question from a member, the Internal Auditor confirmed that the scoring was formulated looking at best practice in other institutions and PWC agreed to provide an overview of the methodology used in the scoring system, to help the Committee understand what factors were taken into account in considering the scores.

It was confirmed that all of the recommendations had been accepted by the College.

In response to a question from a member about the depth and quality of engagement, the Internal Auditor confirmed that based on the data available it was not possible to audit the outcomes of social media activity. Additional data would be required in order to conduct this analysis.

The Internal Auditor explained the context to the pro-solution post implementation review audit.

The Chair commented that he was reassured, given how central the system is to the College and activities, that the implementation went so smoothly and commended the team involved in implementation for ensuring the smooth migration.

The reports were noted.

A/678 Internal Audit Annual Report 2017/18

The report was presented by Karen Finlayson (PWC) as Internal Auditor.

The Internal Auditor confirmed that a clean opinion had been given, noting that the College strives for excellence and this is reflected in the fact that there were no critical, high or medium risk areas.

There was one outstanding advisory opinion, but as this was advisory it would not impact the audit opinion.

The Chair noted that it was an exceptional report and thanked the teams involved, noting that the College would not be complacent and would continue to strive for excellence.

The report was noted.

A/679 Internal Audit Plan 2018/19

The report was presented by Karen Finlayson (PWC) as Internal Auditor.

The Chair asked for input from the Committee on any particular areas for the audit and it was noted that a lot of work had recently been done on IT and GDPR audits. ESF funding was also audited by the ESFA. It was agreed that this question would be extended to all governors at the upcoming Board meeting, to allow them to suggest any particular areas for audit.

The Internal Auditor commented that the College may want to look at the apprenticeship levy once the DFE has clarified its guidance and other matters, but currently a watching brief on this was required.

It was confirmed that some form of financial review was included in the audit every year.

It was agreed that something would be presented at the joint Audit and Corporate Services meeting in December, following which sign-off could be sought from the Board in its December meeting.

The verbal update was noted.

A/680 Risk Management Plan

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

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The report was noted.

A/681 Any other business

There was no other business.

A/682 Date of next meeting

The date of the next Audit Committee meeting is Wednesday 27 March 2019 at 4:30pm and there was a joint meeting of the Corporate Services and Audit Committees on Wednesday 5 December 2018 at 4:30pm.