

Minutes

MEETING OF AUDIT COMMITTEE

DATE 5.00PM, TUESDAY 6TH SEPTEMBER 2016

VENUE Classroom PS108 PROFESSIONAL STUDIES BUILDING, PARSONS WALK,
WIGAN CAMPUS

ATTENDANCE: Committee Members:

Governors

David Rogers Chair (leave of absence)
Ann Harrison. Vice Chair (Acting Chair)
Kath Causey
Alison Dann

External Co-optee

Pauline Hunter

Clerk to the Governing Board

Lorna Lloyd-Williams

Interim Finance Director
Former Vice Principal Finance
Vice Principal College Services

Ruth Paisley
Claire Jarvis
Louise Brown

Internal Auditors (ICCA)

Jonathan Creed

Former Internal Auditors (RSM)

Nikki Crail

External Auditors (Wylie Bissett)

Douglas Scott

Italics denote absence

The Chair opened the meeting for business at 5.00 pm and the meeting was quorate with at least 2 members present.		
Minute	Item	
A/16/09/01	1	CONSULTATION WITH AUDITORS The committee advised that there were no issues they wished to raise with the auditors. Members of the executive team therefore joined the meeting
A/16/09/02	2	APOLOGIES – Were received and accepted from <i>Wylie Bissett</i> Welcome to Jonathan Creed from ICCA
A/16/09/03	3	DECLARATIONS OF INTEREST No declarations of interest were made.
A/16/09/04	4	MINUTES OF THE MEETING HELD ON THURSDAY 27TH MAY 2016 The Chair advised that at the last meeting there had been discussion regarding developing a board assurance framework. This is to be looked at as part of the internal audit strategy for this year. The Chair also asked whether the management letter had been received. The answer to this being no it was agreed that it would be chased up. It was confirmed that the timetable was in place however.

		<p style="text-align: right;">Action Point – Interim Finance Director</p> <p>Resolved: that the minutes of the meeting on the 27th May were approved as a true and correct record.</p>
A/16/09/05	5	MATTERS ARISING
	5.1	The Clerk advised that there were no outstanding matters.
A/16/09/06	6	<p>INTERNAL AUDIT ANNUAL REPORT</p> <p>Internal auditors annual report 15/16</p> <p>Nikki Crail spoke to her report. She advised that it was a straightforward report capturing the outcomes of the internal audit opinions for 2015/16 and that the report was an improvement on last year. She commented that there had been good progress on the risk register and internal controls and that it was a positive report.</p> <p>The Chair commented that it was pleasing that there was an improvement on last year and that she was very pleased when considering some of the internal audit reports the committee had received in the past. Governors questioned whether the opinion was the highest that it could be and it was confirmed that it was.</p> <p>Thanks were given to Nikki Crail and her colleagues at RSM. The report was accepted by the committee.</p>
		5.20pm Nikki Crail left the meeting
A/16/09/07	7	<p>INTERNAL AUDIT</p> <p>Internal Audit Strategy 2016/17 – 2017/18 incorporating the Annual Plan for 2016/17</p> <p>Jonathan Creed of ICCA spoke to his report and firstly referred the committee to Section 4, the internal audit strategy for 16/17 which forms part of the 5 year strategy at Appendix A. It was pointed out that there needs to be a long term audit strategy of at least 3 years.</p> <p>The committees attention was then drawn to Section 3, the Annual Organisation Assessment which contains data on financial position, financial health etc. Governors were advised that in this they can see a number of key facts that have driven the college's performance.</p> <p>The committee were then taken through the scope for each of the 7 / 8 reviews for 16/17 and the former Vice-Principal Finance advised that some of the items that had been on the governors initial "wish list" had been deferred in the 3 year strategy. There was then discussion and clarification about the individual scopes as follows:</p> <p>Audit area 1: Strategic Planning- ABR and Corporate Governance- Management information and KPI's. Governors queried the broadness of this scope when it was effectively trying to cover 2 separate issues for audit and whether the scope had been suggested prior to the area review decision. It was explained that the college's strategy remains the same and that the scope will cover strategy through to assurance.</p> <p>Audit area 2: Learning Support: governors questioned the level of income received for</p>

		<p>this area and the former VP Finance provided this information. The internal auditor explained that the purpose of the audit would be twofold looking at compliance because there is a lot of compliance for this area and therefore it represents a significant risk for the College and also looking at the cost of services we provide against the income received.</p> <p>Audit area 4: Financial planning and management. Jonathan Creed explained that within this audit it will be checked that the budgetary assumptions are right.</p> <p>Audit Area 5 HR – there was discussion around whether this audit was necessary either full or in part, particularly as this would be an area tested in Ofsted inspection. Governors felt that subcontracting was an area they needed assurance on and it was agreed that if the HR compliance is clear at Ofsted the HR days could instead be used to cover the subcontractor audit.</p> <p>Audit area 6: Apprenticeships: about how the college is going to achieve its growth strategy and ensure quality mechanisms are in place.</p> <p>Audit Area 8: Risk management –an audit will take place with a focus on the development of Board Assurance mapping and looking back to KPIs etc. reviewed in Audit 1.</p> <p>Jonathan Creed commented that we should keep the audit plan under review and advised that there is always the ability to change it.</p> <p>Action Point Clerk – review of internal audit plan to form part of the action list for committee brought to each meeting.</p> <p>The former Vice-Principal Finance commented that the Internal Audit Plan for the last few years focussed on fundamental compliance issues, but going forward she advised a focus on wider risk areas over the next 3 years bearing in mind the organisation was more mature now. The Interim Finance Director also commented that we would want to see value for money within the audits with recommendations on best practices.</p> <p>It was therefore</p> <p>Resolved: that the internal audit plan for 16/17 should be recommended to the Board subject to Sub-contracting being added and HR being removed along with the caveat that the plan should remain under review.</p>
A/16/09/08	8	RISK MANAGEMENT
	8.2	<p>Risk Register Update</p> <p>The former Vice Principal Finance spoke to her report and dealt with the Risk register update first. She advised that all the scores for risks had improved over 15/16. Most risks had been rolled over to the 16/17 risk register and the RAG rating reflects the end of year position for 15/16. Governors noted that their requests as to the way in which the risk register was formatted had been incorporated and commented that the layout was really easy to follow.</p> <p>Governors noted the risk register update.</p>
A/16/09/10	8.1	Strategic Risks

		<p>The former Vice-Principal Finance spoke to her report. She advised that risks had been rolled over and amended to reflect the current environment. The risks have been coded to reflect priority and monitoring actions will form part of the forthcoming audit. The register has been fully reviewed by the executive team. All risks from the last register have rolled over.</p> <p>Governors asked what the governance process would be for any risk to be closed and were advised that it would be brought to the committee's attention in the risk register update.</p> <p>Resolved: Recommend to Board for approval the risk register for 16/17 with the caveat it remains under review</p>
A/16/09/11	9	<p>AUDIT IMPLEMENTATION PLAN</p> <p>The former Vice-Principal Finance spoke to her report which was duly noted.</p>
A/16/09/12	10 10.1	<p>GOVERNANCE</p> <p>The Clerk spoke to her report and the committee accepted that the report on its performance was correct</p> <p>Resolve: The Committee accepted the report.</p>
A/16/09/13	11	<p>ANY OTHER BUSINESS</p> <p>Thanks were given to Jonathan Creed</p>
A/16/09/14	15	<p>DATE AND TIME OF NEXT MEETING –</p> <p>28th November 2016, 5pm.</p>
The Chair declared the meeting closed at 6.00pm		