

Minutes

MEETING OF AUDIT COMMITTEE

DATE 5.00PM, MONDAY 28th NOVEMBER 2016

VENUE PS108 CONFERENCE ROOM, PROFESSIONAL STUDIES BUILDING , PARSONS WALK, WIGAN CAMPUS

ATTENDANCE: Committee Members:

Governors

David Rogers
Ann Harrison Chair
Alison Dann

External Co-optee

Pauline Hunter

Clerk to the Governing Board

Lorna Lloyd-Williams

Interim Finance Director
Vice Principal College Services

Ruth Paisley
Louise Brown

Internal Auditors (ICCA)

Kath Stott

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 2 members present.		
Minute	Item	
A/16/11/15	1	The Chair welcomed back David Rogers.
A/16/11/16	2	APOLOGIES – Apologies were received and accepted from Scott Gillon of Wylie Bissett.
A/16/11/17	3	DECLARATIONS OF INTEREST No declarations of interest were made.
A/16/11/18	4	MATTERS ARISING The Clerk advised that these were ongoing.
A/16/11/19	5	VALUE FOR MONEY & PROCUREMENT REPORT Annual Report The Interim Finance director advised that this had been discussed in detail and accepted by Resources Committee. It was also being brought to this committee as the Procurement Policy provides that it should go to both committees. Governors had a number of questions. They wished to know who was driving the audits and it was confirmed that this was the college and that the executive looked at the priorities and where Tenet should be focusing their efforts. The committee were advised

		<p>that Tenet have been able to make some good practice suggestions and have provided added value by helping with various tender processes. Governors queried who will monitor whether savings are real and whether this was a transient arrangement. It was confirmed that that it was. A query was also raised regarding waste management and compliance with the OJEU threshold, whether OJEU guidelines have been followed? Governors requested that the advice of the Colleges solicitors be sought.</p> <p style="text-align: right;">Action: Vice Principal College Services/ Interim Finance</p> <p>Director</p>
5.20 – Pauline Hunter Arrived		
		<p>Governors also queried the problems regarding the cleaning contract and the Executive outlined the problems and how they had been dealt with. In relation to Counselling Services it was queried why there was no data from 15/16 and the Vice Principal College Services confirmed we do have data but this is confidential.</p> <p>The Interim Finance Director commented that going forward we may need to look at how the procurement report is prepared for Governors as there is too much information and detail.</p> <p style="text-align: right;">Action: Finance Director</p>
A/16/11/20	6	ANNUAL CYCLE OF AUDIT COMMITTEE BUSINESS
	6.1	<p>Financial Statements, Audit Management Letter and Annual Report</p> <p>The Chair advised the committee that the papers had been seen by the Resources committee and amendments requested would be in the final version seen by the Board.</p> <p>The committee raised various queries all of which were satisfactorily answered and a query was raised regarding some of the write off figures. The Interim Finance Director explained the approach taken and confirmed that the auditors were happy with it. The issue of a revaluation adjustment to opening balance was also raised which one of the other committee members advised had been previously discussed at Audit Committee and Board. Governors also sought assurance that the college was complying with the prompt payment legislation which they received.</p> <p>The Interim Finance Director spoke on the report from the external auditors and advised that that they are obliged to report any errors of which there are none and have not raised any recommendations which is not unusual in FE, a view which was endorsed by the internal auditor. The auditors had given an unqualified opinion on the financial statements.</p> <p>The Chair advised the committee of the view expressed by the Resources committee that the management letter lacked recommendations on areas for improvement. A discussion took place amongst the committee regarding the roles of the external and internal auditors. It was confirmed that, within the FE sector, the external auditors are charged to confirm, or otherwise, that the financial statements show a true and fair view of the college's financial position. The internal auditors examine the processes and procedures within the College and make recommendations on areas for improvement. The committee noted that an unqualified external auditor's report was an endorsement of the good work carried out by the college's financial and management team, who were to be congratulated."</p> <p>It was Resolved: to recommend to the Board the Financial statements and letters of representation subject to amendments.</p> <p>It was agreed that the Clerk would speak with the former Chair of Resources to advise of</p>

		<p>the committee's discussion regarding the financial statements and the committee also commented that the reconciliation was helpful and asked that this be included going forward.</p> <p style="text-align: right;">Action: Clerk , Finance Director</p>
A/16/11/21	6.2	<p>Annual Report of the Audit Committee 2015/16 for recommendation to the Board</p> <p>The committee requested a minor amendment and subject to this it was</p> <p>Resolved: to recommend to the Board the Annual Report of the Audit Committee 2015/16.</p> <p>The committee also asked that the Audit implementation Plan be available at the forthcoming Board meeting.</p> <p style="text-align: right;">Action: Clerk</p>
A/16/11/22	7	<p>SFA ANNUAL SUBCONTRACTING ASSURANCE</p> <p>Kath Stott from ICCA the internal auditors, advised that college is required by the SFA to have an annual review of the subcontracting controls. It covers 9 areas of SFA funding reviews and auditors found that:</p> <ul style="list-style-type: none"> • 2 areas were fully compliant • 6 areas were partially compliant and many of the issues were very minor • 1 area – was not applicable <p>She confirmed that lots of the issues raised had been immediately actioned and that the auditors would be able to issue the certificate. The committee were also advised that there would be a follow up in May/June.</p>
A/16/11/23	8	<p>INTERNAL AUDIT REPORTS</p> <p>Strategic Planning – Area Based Review and Corporate Governance – Management Information and KPIs</p> <p>Kath Stott from ICCA the internal auditors advised that for the next academic year they would look to arrange the reports in tranches.</p> <p>To date the auditors had undertaken one advisory piece of work and the committee were advised that this was a very positive report and the quality of information is excellent but 9 advisory good practice "recommendations" had been made that would make the Governing Board even better. She also commented that if there had been an opinion they would have given substantial assurance.</p> <p>The Chair requested that the report be included in the papers to the board with the full version being placed on the extranet.</p> <p style="text-align: right;">Action: Clerk</p>
A/16/11/23	9	<p>REAPPOINTMENT OF FINANCIAL STATEMENT AUDITORS</p> <p>The Interim Finance Director advised that she was happy with the work undertaken by the auditors and the committee were advised that we are in a 5 year contract until 2018. It was</p> <p>Resolved: to recommend to reappoint for another year and to continue with the contract.</p>

A/16/11/24	10	AUDIT IMPLEMENTATION PLAN The committee noted following the September meeting all 4 recommendations had been implemented and therefore removed. The current recommendations were therefore from the internal audit of the strategic planning and Performance and the audits of subcontracting.
A/16/11/25	11	RISK MANAGEMENT Discussion took place around risk number 1 concerning Ofsted and how this would be framed going forward in light of the recent inspection. There was also discussion around maths and English which was covered under Risk number 1 and whether this should be a standalone risk. It was agreed that the executive would consider this once the Ofsted report and recommendations had been received. Governors felt there should be specific reference to English and maths. <div style="text-align: right;">Action: Interim Finance</div> <div style="text-align: right;">Director</div>
A/16/11/26	12	ANY OTHER BUSINESS There was no other business.
A/16/11/27	15	DATE AND TIME OF NEXT MEETING – 5pm 13 th March 2017
The Chair declared the meeting closed at 6.38pm		