



## Minutes of the Risk & Audit Committee Meeting Held on Tuesday 14 June 2016 – Principal's office

<b>Present:</b>	Bob Gildie (Chair)	Chris Humpage (Vice Chair)	Alex Dobinson
<b>Apologies:</b>	James Beddow		
<b>In attendance:</b>	Bruce Balicki (DP Finance & Resources)	Paul Goddard (Scrutton Bland)	John Revill (Vice Principal)
	Theresa Cope (Clerk to the Corporation)	Nick Cattini (RSM UK LLP)	John Driver (Deputy Principal C&Q)

*75% attendance*

### **39/15 Apologies for Absence**

The apology was received & accepted as above.

**Action**

### **40/15 Eligibility & Quoracy**

All members were eligible and the meeting was quorate.

### **41/15 Declaration of Interests**

No declarations of interests have been received.

The Chair advised that due to work commitments, AD would need to leave the meeting by 11:30am. This would render the meeting inquorate so it is essential that all committee business was covered within the time available.

The Chair also advised the committee that the Principal has decided not to attend Risk & Audit Committee meetings in order to ensure that the committee maintains its independence. The committee was happy with this approach on the basis that there is sufficient representation from the senior management team.

An open invitation was extended to the Principal to attend committee meetings should committee business necessitate his attendance.

### **42/15 External Audit Plan 2016/17**

The external auditor presented the External Audit Plan for 2016/17.

The committee has previously noted the change from a "reasonable" assurance to a "limited" assurance with regards to the regularity audit. This remains the case for 2016/2017.

The DP F&R is to meet with the external auditor tomorrow to discuss the implications of applying FRS 102 – meeting outcome will be submitted to the members of the

Finance & General Purposes committee for ratification.

The committee noted that the financial statements will be prepared under the F&HE SORP 2015 for the first time and this would also be discussed with senior management.

The proposed timetable was outlined, anticipating that the Financial Statements will be completed and signed off by mid-December '16. The Vice-Chair was concerned that the timeline was too tight and raised concerns as to what was to happen in the event that there was a delay to the sign-off?

The external auditor confirmed that the letters of representation will be ready by the end of November '16.

***The external auditor will speak to the Deputy Principal F&R and the Clerk with regards to the possibility of rescheduling the December '16 committee meeting.***

The external auditors will also follow-up on previous recommendations.

The report appendices were noted.

With regard to the review of subcontracting controls, the Chair queried whether this is an annual requirement. The external auditor confirmed that this is an annual requirement, although as a non-audit service this needs to be kept separate from the main audit. Further details can be provided to the committee if required.

The committee were asked if there had been any incidents of fraud during the year that needed to be brought to the attention of the external auditor. The committee confirmed that there were no incidents that they were aware of to be reported.

#### **43/15 Internal Audit Reports**

The internal audit reports were received with the overall ratings and recommendations duly noted.

The committee received a verbal report on two further internal reports, for which the full written reports would be presented to the committee in October '16.

#### **44/15 Progress Report on Previous Internal Audit Recommendations**

The system for monitoring previous internal audit recommendations needs to be revised.

***It was agreed that responsibility for monitoring previous audit recommendations should be passed back to internal audit. The internal auditor was, therefore, asked to include this work as part of their internal audit plan for 2016/17.***

#### **45/15 Risk & Assurance Progress Report 2015/16**

The paper was provided for information purposes.

The High Needs Learner Support audit has been rescheduled to the end of the month due to staffing changes within the college. ***The audit report will be brought to the next committee meeting in October '16.***

#### **46/15 Proposed Internal Audit Plan 2016/17**

The committee were asked to give consideration to the internal audit plan ahead of

agreement at the next committee meeting in October '16.

An area for particular focus is Safeguarding.

The committee was asked if the work carried out previously around Assurance Mapping had been found to be beneficial. The committee's preference would be for an annual review and this should form part of the overall audit plan.

The VP asked for an audit on the Apprenticeship provision to be included given the changing landscape and the introduction of the new Government levy.

***A further report is to be provided to the committee at the next meeting in October '16 with inclusion of a recommendation on how to monitor previous audit recommendations.***

#### **47/15 Risk Register**

The DP F&R presented a brief report to highlight four significant changes to the risks.

Two risks have been downgraded (one from business critical to high risk and one from moderate to low risk) whilst 2 have been increased (one from low to high risk and one from moderate to high risk).

***The Risk Register is to be presented to the next committee meeting in October '16*** having been revised and in preparation for the Area Based Review (ABR) which is due to commence in November '16.

#### **48/15 Minutes of Previous Meeting (8 Mar '15) & Progress Against Matters Arising**

The minutes of the previous meeting held on 8 March '16 were agreed and signed by the Chair as an accurate record.

There were no matters arising.

#### **49/15 Value for Money update**

The Skills Funding Agency (SFA) has published the 2014/15 Financial Statements for all colleges. This was useful information to be used for comparisons.

***The internal auditor to send to the Clerk who will circulate details to the committee members.***

#### **50/15 Report of Actions Taken by the Chair on Behalf of the Corporation**

- **Teachers' Pension Scheme**

The Chair had signed the Engagement Letter between the external auditors, RSM UK Audit LLP and the College in respect of the Teachers' Pension Contributions for the year ended 31 March.

The content of the letter was formally agreed by the other committee members (before signature) via email.

### **51/15 Sector updates**

The external auditor had tabled a useful document, "The FE Sector in 2020?" that addressed most of the current updates.

The internal auditor highlighted that with the introduction of the apprenticeship levy, all companies with income and/or payroll below £3 mill will need to contribute 0.5% towards the levy.

The external auditor drew attention to the fact that cyber crime is on the increase and it might be pertinent to review the current processes in relation to Disaster Recovery and Business Continuity.

### **52/15 Consideration of any Confidential Matters**

There were no confidential matters to be considered.

**The meeting finished at 11:32am**

**The next meeting will be held TBA (Oct '16)**