

Minutes of the Meeting of the Audit Committee held on Tuesday 16th June 2015, 5.00pm, The Conference Room, Prior Pursglove College

Present: Mr J Kay (Chair), Mr B Pearce, Cllr P Spencer

In Attendance: Mrs E Grove (Chair), Mrs J Burton (Principal), Ms S Langstaff (Finance Manager), Mr G Gillespie (Wylie+Bisset, Internal Audit)

Meeting quorate

100% attendance

1) **Apologies for Absence**

There were no apologies for absence.

2) **Invitation for Auditors to speak with Committee Mebers**

Mr Gillespie was invited to raise any matters with the committee without the presence of management. He had no points to raise with members. Mrs Grove advised members that Anderson Barrowcliff, Financial Statements and Regularity Auditors had nothing they wished to bring to the attention of the meeting.

Mrs Burton and Ms Langstaff joined the meeting at 5.08pm.

3) **Minutes of the Meeting of Tuesday 10th March 2015**

The minutes were agreed and signed as a true record.

4) **Matters Arising**

- 4.1) **Follow up Review:** Members were informed that the Assistant Principal, Resources, had confirmed that there was minimal cost benefit to change the current system for email and data archiving. It was agreed that this action was now complete.
- 6.2) **Review of Risk Management Process:** It was confirmed that the risk of breaching the bank loan agreement had been added to the finance risk questions.

5) **Internal Audit (Wylie+Bisset)**

5.1) **Internal Audit Reports:** Mr Gillespie took members through the individual reports which had been sent out with the agenda.

5.1.1) **Estates Management:** The overall conclusion of the audit was 'strong'. There was one low level recommendation that a new full property strategy detailing college and curriculum needs should be produced and formally adopted. Management had accepted this recommendation with an implementation date of December 2015. Mrs Burton informed the committee that a draft Property Strategy was already being worked on. Benchmarking data for Estates Management showed the average number of recommendations to be zero. Six areas of good practice had been identified during the audit.

5.1.2) **Treasury Management:** The overall conclusion of the audit was 'strong'. There were no recommendations arising from the audit. Benchmarking data for Treasury Management showed the average number of recommendations to be one medium and one low. Ten areas of good practice had been identified during the audit.

5.1.3) **Fixed Asset Management:** The overall conclusion of the audit was 'strong'. There were no recommendations arising from the audit. Benchmarking data for Fixed Asset Management showed the average number of recommendations to be two medium and one low. Five areas of best practice had been identified during the audit. Mr Gillespie was asked if the audit had covered disposal of fixed assets and he confirmed that it had and that good practice had been followed. The committee asked for the report to be amended to reflect this finding. Mr Gillespie agreed and confirmed that the report would be re-issued.

It was agreed to recommend the reports including the revised Fixed Asset Management Report when received, and management response to the Corporation for acceptance.

5.2) **Audit Plan 2015-16:** Mr Gillespie advised that W+B's three year contract ended this year and on the assumption that the firm would be re-appointed, the plan would be extended. A discussion followed on the areas to be audited. It was agreed that Safeguarding, Corporate Governance focussing on the English Code of Good Governance, assuming adoption by the Corporation, Learner Numbers/Student Records and Follow Up Review should be included within the plan. This would take 11 days. Discussion moved on to use of a further eight days assuming the same number of audit days as this year. It was considered that an aspect of finance should be covered. Mr Gillespie advised that systems work could be undertaken pending the outcome of discussions on future strategies for college.

In response to a question from the committee, Mr Gillespie confirmed that the fees would be the same as for this year.

After further discussion it was agreed that the draft plan should be drawn up and circulated to the committee for comment. The final plan would then go forward to the 9th July Corporation meeting.

6) **Progress on Audit Recommendations**

Progress of each item was discussed. It was noted that three recommendations were now complete. It was confirmed that the remaining five recommendations were on track to be completed by the end of the summer term. Members considered that good progress had been made and thanked all those involved.

7) **Teachers' Pension Fund Audit**

The audit letter from Anderson Barrowcliff was considered. It was noted that the letter confirmed that all of the procedures detailed in the Teachers' Pensions Employer Guide and the engagement letter had been carried out and that no exceptions had been noted in the tests undertaken.

8) **Control Issues**

There were no control issues that needed to be brought to the attention of the committee.

9) **Risk Management**

A paper on the purpose of risk management and the role of the audit committee was tabled together with a risk scoring chart showing the overall scores for each risk area. The draft risk management plan was discussed. It was confirmed that the Senior Leadership Team (SLT) would monitor the plan on a monthly basis and the in-year impact of changes should be identified. It would also ensure that as new risks arose they could be added to the plan during the year.

A discussion followed and a question was raised as to why all of the risks associated with enrolment and student numbers had not scored top level marks. The scoring was explained and the logic considered appropriate.

Mrs Burton was questioned about the risks associated with Prevent and Safeguarding and it was agreed that SLT should review this area for inclusion in the risk plan.

Discussion moved on to future college plans, potential risks and how these could be addressed. It was agreed that this should be a focus for discussion at the next audit meeting.

It was agreed to recommend the draft risk management plan to the Corporation.

10) **Code of Good Governance for English Colleges**

Members were advised that the Search and Governance Committee had recommended adoption of the Code and the Corporation was minded to do so pending input from the audit committee and college auditors.

Wylie + Bisset was able to support adoption of the Code as it had been drawn up specifically for colleges. Mrs Grove informed members that Anderson and Barrowcliff were of the same view.

It was agreed to recommend adoption of the Code to the Corporation.

11) **Next Year's Meeting Dates**

The proposed dates and times, which had been circulated in advance of the meeting, were accepted. These were Tuesday 1st December 2015, Wednesday 3rd March 2016 and Tuesday 14th June 2016 starting at 5.00pm. It was noted that additional meetings may be needed.

12) **Annual Review of Auditors Performance**

Mr Gillespie was invited to stay for this part of the meeting. Copies of the performance indicators which had been circulated to the committee by email in advance of the meeting were tabled.

12.1) **Review of performance and recommendation on re-appointments:**

12.1.1) Anderson Barrowcliff, Financial Statements and Regularity Auditors: The performance indicators were considered and it was noted that they were positive.

12.1.2) Wylie+Bisset Internal Auditors: The performance indicators were considered and it was noted that they were positive. Ms Langstaff reported that the change in staffing had not had a negative impact on audits. The inclusion of benchmarking data within reports was of value.

It was agreed to recommend a one year re-appointment to the Corporation.

12.2) **To set next year's indicators:** It was agreed to retain the current indicators.

13) **Any Other Business**

There was no other business

14) **Publication of Documents**

It was agreed to publish all documents except those in draft.

The meeting closed at 6.00pm.

It is proposed that the signed minutes are published in full.