

AUDIT COMMITTEE

Minutes of the meeting held on **21st November 2017** at 5.00 pm.

Present:	Mr Andy McHale (Chair); Rubina Chaudary and Mr David Jones.
In attendance:	Ms Hayley Griffiths (Temporary Clerk); Mr David Blower (Assistant Principal); Ms Yasmin (Haines Watts – Internal Auditors) Mr Norman MacDonald (Director of Finance; joined the meeting at 17.35pm); Mr Paul Oxtoby (RSM- External Auditors).
1)	<u>Apologies for Absence</u> REPORTED: Apologies for absence were recorded for Mr Graeme Birch and Ms Anne Barker, Clerk to the Corporation. RESOLVED: In the absence of the Clerk to the Corporation, the Committee agreed to the appointment of Hayley Griffiths as temporary Clerk to minute the meeting.
2)	<u>Declaration/s of interest/s.</u> REPORTED: No declaration of interest/s were made.
3)	<u>Declaration of any potential conflict/s of interest with items on the agenda.</u> REPORTED: No declaration of potential conflict/s of interest with items on the agenda were made.
4)	<u>Notification of Any Other Urgent Business.</u> There was no notification of Any Other Urgent Business.
5)	<u>Terms of Reference</u> RECEIVED: The Audit Committee Terms of Reference and Membership, PAPER AUD 17/11/05. REPORTED: <u>Please note</u> this minute has been revised post meeting. <u>Members are asked</u> to confirm acceptance of the revision (to correct the information reported to the meeting in the absence of the Clerk). ◆ The Chair reported that , aside from minor updates to some terminology, e.g. ESFA (replacing EFA and SFA), and the deletion of Rachel Burn as a member; the other changes made were the insertion of: to “develop, consider and advise the Corporation, in conjunction with college management,

<p>on the Board Assurance Framework and Risk Register;” and</p> <p>the insertion of “in conjunction with college management” within:</p> <p>to “establish, in conjunction with college management, relevant <i>annual</i> performance measures and indicators</p> <p>RESOLVED:</p> <p>That the Clerk should contact Graeme Birch in regards to his ability to continue to form part of the committee given his prolonged absence from meetings.</p> <p>The Committee accepted the Terms of Reference.</p>	
<p>6) <u>Minutes</u> of the previous meeting.</p> <p>CONSIDERED:</p> <p>The Minutes of the meeting held on 6th June 2017, PAPER AUD/17/06/06.</p> <p>RESOLVED:</p> <p>That the Minutes be approved as an accurate record and be signed by the Chair, once corrections were made to the spelling errors.</p>	
	ACTION
<p>7) <u>Matters Arising.</u></p> <p>No matters arising were reported.</p>	
<p>8) <u>Annual Report of Audit Committee.</u></p> <p>CONSIDERED:</p> <p><u>The Annual Report of the Audit Committee, PAPER AUD/17/11/08.</u></p> <p>The Committee read through the report provided and David Blower Reported some revision was required to the first paragraph, by removal of “the period from’ in the first sentence.</p> <p>The Committee commented on the omission of the attendance Information for the members. Rubina Chaudary asked if there is a need to include information relating to the Board Assurance Framework.</p> <p>RESOLVED:</p> <p>David Blower will update the report with the membership attendance information, along with the information relating to the Board Assurance Framework.</p>	<p><i>David Blower, Assistant Principal</i></p>

9) Value for Money Report

RECEIVED:

The Value for Money Report, Paper AUD/17/11/09.

REPORTED:

David Blower, Assistant Principal, briefed the Committee on the Report.

He discussed how the consultancy arrangements remain the same and reported on how the College is at 90% capacity. He commented that whilst the increased capacity is an advantage, it does prove problematic when trying to book rooms for meetings or training.

He commented on the loss of the IELTS programme and how the decision was made by them to end the contract. He also discussed the change of contract regarding job adverts for the College.

He reported how the IT team have deployed an energy monitoring project and how the College hopes to make savings through it. He confirmed that the College has withdrawn from community venues, which appears to be working well.

Norman Macdonald, Director of Finance, commented on the VAT issues for the College in relation to the Sports Centre. He confirmed that the College is looking into solutions to this issue. He also commented that if the College moves into HE, diversification of funds and facilities will need to be looked at.

*Norman
MacDonald,
Director of
Finance*

External Audit Matters

<p>10) <u>External Audit Findings Report</u></p> <p>CONSIDERED:</p> <p>External Audit Findings Report from RSM UK,, PAPER AUD/17/11/10.</p> <p>REPORTED:</p> <p>Paul Oxtoby briefed the Committee on the Report.</p> <p>He confirmed that the Report would require a final proofread before it goes to the Full Board meeting in December.</p> <p>He talked through the areas that were looked at (pages 3, 4, 5 and 6), and how he expects the next visit to take place early to mid-December.</p> <p>He commented on CIC funding and how the College will need to review the longevity in relation to income options. He advised that the College will need to consider the next steps for CIC and what will need to be done with it should it not continue.</p> <p>Paul highlighted the same issues as Norman had in item 9 in relation to the Sports Centre. He stressed the need for the College to find a solution to the VAT issues.</p> <p>He also talked through the need for staff to undertake anti-bribery training (pages 7 and 8) and how he will provide the contact information for the training. He discussed the issues of subsidiaries and the issues that can occur concerning paying back unspent funds.</p> <p>He confirmed that no major adjustments have been made (page 9).</p> <p>He highlighted the lack of internal control points within the College (page 11) and confirmed that the College will need to reconcile this issue. Norman confirmed that they are looking into linking up the number of IT assets with the Finance team to give more assurance.</p> <p>The letters of recommendation should be taken to the Board. He confirmed that they are the standard letters for signing.</p> <p>RESOLVED:</p> <p>Rubina Chaudary asked the staff present to confirm whether the College is on track with the upcoming changes to Data Protection Law. David Blower confirmed that he, along with the Principal and Deputy Principal, had all attended training sessions relating to the changes, and are aware of the steps the College needs to take to ensure compliance with the law.</p>	<p><i>Paul Oxtoby (RSM UK)</i></p> <p><i>David Blower</i></p> <p><i>SLT/Full Board</i></p> <p><i>Norman MacDonald, Director of Finance</i></p> <p><i>Norman MacDonald, Director of Finance</i></p> <p><i>Clerk</i></p>
Internal Audit Matters	
<p>11) <u>Internal Audit (Haines Watts) Annual Report 2016-17</u></p> <p>REPORTED:</p> <p>This item was removed from the agenda, as an Annual Report is no longer produced under the new Internal Audit contract.</p>	

<p>12) <u>Internal Audit Plan 2017-18</u></p> <p>CONSIDERED:</p> <p>A verbal report on the Internal Audit Plan 2017-18</p> <p>REPORTED:</p> <p>Yasmeen Mehmood tabled a letter from Lee Glover, Haines Watts, relating to the Internal Audit Plan 2017-18. She confirmed that this is the proposed plan for the next academic year and how there are four areas for consideration. The four areas have been identified following a meeting between David Blower, Norman MacDonald and Lee Glover.</p> <p>Yasmeen talked through the four areas to be audited, which are listed within the letter and the reasoning behind the focus for each.</p> <p>The Chair queried whether the number of days specified for each area would be enough. David Jones raised concern regarding the costs for the total number of days for the audit to be carried out.</p> <p>David Blower agreed with the concerns raised regarding the Sports Centre and confirmed that the plan is to ask for a full audit this year. He also discussed concerns regarding Estates Management. He highlighted the need to have a clear line of sight about Estates Management and the need to be confident that all checks are up to date. He confirmed that the College does employ a company to carry out these checks but he doesn't feel confident that they are being carried out and he thinks this is an area of the College that needs looking into.</p> <p>RESOLVED:</p> <p>Norman MacDonald and Lee Glover will discuss what the next focus will be following on from the list within the letter. Lee Glover will meet with the MIS team to establish a focus for this year.</p>	<p><i>David Blower & Haines Watts</i></p> <p><i>David Blower</i></p> <p><i>Lee Glover</i></p>
<p>13) <u>Risk Register and Board Assurance 2017-18</u></p> <p>RECEIVED:</p> <p>The Risk Register and Board Assurance 2017-18; PAPER AUD 17/11/13</p> <p>REPORTED:</p> <p>David Blower discussed the Risk Register with the Committee and confirmed that it is in a format that everyone should now be familiar with.</p> <p>He asked the Committee to consider adding Brexit to the Risk Register or whether they feel it is too soon. Paul Oxtoby confirmed that in order to decide, the College will need to determine what Brexit means to them. He confirmed that the College's Business Plan may already have taken this into consideration.</p> <p>David Blower confirmed that he has included on the Risk Register the possibility of the pay gap being lifted for staff and teachers pensions. He</p>	<p><i>David Blower, Assistant Principal</i></p>

<p>16) Dates of next <u>meetings in 2017-18</u>:</p> <p>REPORTED:</p> <p>Tuesday 20th March 2018</p> <p>Tuesday 5th June 2018</p> <p>That all meetings will start at 5.00pm.</p>	
<p>The meeting closed at 6.00pm.</p>	

Hayley Griffiths (temporary Clerk) and Anne Barker,
Clerk to the Corporation,
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