



Minutes of the Audit Committee meeting held at the Watford Campus on 30 September 2019 at 1700 hrs.

Present	Guy Ainsley	Chris Nicholls	Irina Kendix
	Ben Stapleton (Chair)		
In Attendance	Ralph Devereux (Clerk)	Paul Goddard (Scrutton Bland)	Leisyen Keane (Scrutton Bland)
	Eamonn McCarroll (DOF)	Phil Thompson (Corporation Chair)	
Apologies	Cath Gunn (BC Principal)	Gill Worgan (WHC Principal)	

The Chair welcomed all to the first meeting of 2019.20. Paul Goddard (Scrutton Bland) introduced a new colleague Leisyen Keane, who would be directly involved with WHC, Paul had been appointed to the wider role as the Risk and Assurance Partner but would still attend Committee meetings.

01/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. The apologies were noted. The meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no interests declared.
- b. Ben Stapleton would continue as Chair for 2019.20. **(Action 1)**
 - a. The information was received.
 - b. Action had been identified. (Register at 9/19)

02/19 MINUTES OF THE LAST MEETING

The Minutes of the last meeting held on 2 July 2019 were confirmed for electronic signature; action delegated to the Clerk. **(Action 2)**

- a. The information was received.
- b. Action had been identified. (Register at 9/19)

03/19 MATTERS ARISING FROM AND ACTIONS REQUIRED FROM THE MINUTES

- a. WHC. Actions from the Minutes. All action from the minutes had been completed or were in progress, in particular:

See referenced minute for full detail		Status
Action 1	41/18a. Last minutes (26.02.18 & 05.06.19) confirmed for signature.	Complete or processed
Action 2	42/18b. BCIAS Tracker to each meeting until actions completed.	
Action 3	43/18a. Risk 4 could include wider parameters.	
Action 4	43/18b. Detail of changed RM process to next meeting.	
Action 5	44/18b. Wording for student survey re. "feeling safe" to be examined.	
Action 6	45/15b. Date for reserve committee meeting to be set.	
Action 7	45/18. IAS indicative plan (2019/20) and fee rec to Corporation.	
Action 8	46/18. Ext Audit Plan and fee recommended to the Corporation.	
Action 9	47/18. GDPR/PID incidents (including fraud) to be to Committee.	

Action 4 related to the review of the existing risk management framework and the DOF explained that a fundamental evaluation of cross College Risk Management (RM) was in the final stages and full detail would be brought to the next meeting. **(Action 3)** Essentially,

each Department would own, and be responsible for managing, their individual register; higher level risks only would be entered in the “Executive” register. This more direct and delegated responsibility would embed risk processes into all College functions.

- b. Matters Arising from the Minutes. There were no matters arising from the minutes.
 - c. Urgent Business. It was agreed to consider one item of urgent business relating to fraud.
- a. **The information was received.**
 - b. **Action had been identified. (Register at 9/19)**

04/19 INTERNAL AUDIT (RISK AND ASSURANCE (R&A))

R&A Reports. There was one R&A Fieldwork Reports and the 2018/19 Annual Report to consider.

- a. Payroll. the scope, approach, risk and objectives of the fieldwork assignment was explained by the IAS before consideration of the Report, a Green “Strong” assurance had been given regarding the Payroll function at WHC, accordingly, the Corporation could take assurance that “governance, risk management and control arrangements provide strong assurance, that the material risks reviewed are managed effectively.” There had been no associated recommendations. Some discussion considering IR 35 compliance led to assurance that there was no reason for concern and all casual payroll entries followed necessary procedures. This was an excellent report, which vindicated the decision to merge the Barnfield College (BC) and WHC systems at an early stage in the merger process and reflected extremely well on the staff associated with the function and thanks were recorded to all concerned.
 - b. Annual Report 2018.19. Annual Report. The IAS Annual Report for 2018/19 was a stand-alone document, which would inform the Annual Financial Statement (AFS) “Statement of Internal Governance and Internal Control”, and thus the ESFA on internal audit issues; it was a digest of previous information presented to the committee. The Report, which had been circulated for consideration in advance of the meeting was taken as read; the report would also inform the annual committee report to the Corporation, to be considered later in the year. The overall “Reasonable Assurance”, based on the work that had been undertaken through the year, was that **“The most assurance that can be provided to the Audit Committee and the Corporation is reasonable assurance that there are no major weaknesses in these (RM Control and Governance) processes”** this was noted and the reasoning behind the opinion were explained and understood. The report was recommended to the Corporation. **(Action 4)** Thanks were recorded to the IAS for their work throughout the year and to the DoF for excellent oversight and implementation of the recommendations.
- a. **The information was received.**
 - b. **Action had been identified. (Register at 9/19)**

05/19 COMMITTEE BUSINESS

- a. Bourneville Letter. The Further Education (FE) Commissioner’s letter to all Colleges voicing concern after an investigation into financial malpractice at Bourneville College had been followed by good practice guidance from the AoC. That guidance had included a 15-point self-evaluation checklist, both were included in the Papers and were discussed. Anecdotally several other colleges were in a similar situation and it was likely that similar reports would emerge over time. Full scrutiny and discussion over the self-evaluation entries reassured members that processes were robust and the letter would be circulated to all Corporation Members for information. **(Action 5)** It was also noted that the Internal Audit Plan for 2019/20 included testing of “Governance” and it was agreed to scrutinise the planned scope at the next Committee Meeting. **(Action 6)** The discussion led into consideration of the local system for senior staff remuneration, the College had adopted AoC Guidance in this area and, this year, such decisions had been taken by the Corporation rather than acting on Committee’s recommendation. Members felt that was good practice and it was recommended to the Corporation. **(Action 7)** Arising from these considerations the current Corporation Vice-Chair and Chair of the Capital Project Steering Group

(CPSG) would complete her term of office soon; Guy Ainsley volunteered for the CPSG post. This was noted.

- b. Good Governance Presentation. The R&A Auditors circulated copies of and delivered a presentation "Good Governance for Audit Committees", the interactive session was illuminating and included examples of good practice (12) and poor practice (10). The detail, for example: giving agenda preference to RM, self-assessment of individual Committee's performance and some staff presentations to the Committee, was welcomed and would inform future practice. Of note was annual AC assessment of the Internal and External Auditors' performance, their self-assessment was helpful but in future it was agreed that the DoF would draft an assessment for scrutiny by the Committee Chair before presentation to the Committee, **(Action 8)**
- c. Business Schedule 2019.20. The draft Business Schedule was discussed. It was agreed to amend the audit performance review dates to: IAS in November and the External in February each year. **(Action 9)** Annual reports of issues such as fraud and GDPR breaches did not preclude their presentation if and as they occurred.
- d. Committee Terms of Reference (ToR) The Committee TORs and SAR would be considered at the next meeting. **(Action 10)**

a. **The information was received.**

b. **Action had been identified. (Register at 9/19)**

06/19 MERGER. FINANCE UPDATE

A high-level update on key issues from the Finance Merger work stream was discussed. The comprehensive detail drew together all elements of the merging of the two systems, which had been achieved with minimum disruption to either participant. As already stated, the decision to move quickly to integrate the systems, although daunting in prospect, had been the right approach.

The information was received.

07/19 URGENT BUSINESS

There had been an instance of attempted fraud, involving the changing of a payee bank account details on an invoice. Full available details were passed to Members, but essentially early investigations had not revealed any criminal activity by College staff. Enquiries continued and Members would be kept informed. At this early stage, no eventual loss may be realised and the criteria for potential reporting to the ESFA were not considered to have been met.

08/19 DATES OF NEXT MEETINGS

Committee meeting to conduct business (27 November 2019).

09/19 ACTION REGISTER

Please see reference minute for full details.		Resp	Date
Action 1	01/19b. BS to continue as Chair.	Clerk	wie
Action 2	02/19. Last minutes confirmed for electronic signature.		
Action 3	03/19a. Full details of the Evaluation of cross College Risk Management (RM) to be presented at the next meeting.	DoF	27.11.19
Action 4	04/19b. R&A Annual Report recommended to Corporation.	Chair	0910.19
Action 5	05/19a. Bourneville letter to all Corporation Members.		asap
Action 6	05/19a. Governance R&A audit scope to be considered.	Clerk	27.11.19
Action 7	05/19a. Corporation to determine SPH Pay recommended.	Chair	09.10.19
Action 8	05/19b. Committee to assess auditors' performance.	Clerk	wie
Action 9	05/19c. Auditors' performance review dates to be changed.	DoF	asap
Action 10	05/19d. Committee ToR/SAR on next meeting agenda.	Clerk	27.11.19

Ralph Devereux (Clerk) for Ben Stapleton (Chair)

Ralph Devereux (Clerk) for Ben Stapleton (Chair) (Dec 2, 2019)

AC Minutes 30.09.19RDEMcbS

Final Audit Report

2019-12-02

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