

**NON-CONFIDENTIAL  
MINUTES OF AUDIT & RISK COMMITTEE  
24 NOVEMBER 2017**

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<b>Present:</b>	Don Logan	Chair Audit Committee	
	David Schofield	External Governor	
	Roz Stewart	Staff Governor	
	Trish Kidd	Chair F&R Committee	) present due
	Julie Barton	External Governor	) to joint meeting
	Chris Dodwell	External Governor	) with F&R Comm
<b>In attendance:</b>	Andrew Wren	Principal	
	John Smith	DP F&R	
	June Fielding	Financial Controller	
	Zee Walker	Director of PPQ	
	Helen Knowles	KPMG	
	Patrick Clark	ICCA	
	Karen Johnson	Acting Clerk	
	Colin Steele	Head of Craft Engineering (observer)	
	Hannah Oliver	Financial Assistant (observer)	

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**PROCEDURAL ITEMS**

**AR/17/036** The Chair drew Governors' attention to the two paragraphs at the top of the agenda, formerly agenda items, reminding Governors of their responsibilities and to declare any interests relevant to agenda items, as that this also included responsibilities around Equality, Diversity and Inclusion

**APPOINTMENT OF CHAIR**

**AR/17/037** Don Logan was formally nominated and agreed by the Committee to serve as Chair of the Audit & Risk Committee for a period of 12 months.

**Resolved: Don Logan, to stand as Chair of Audit & Risk Committee for a period of 12 months.**

**NON CONFIDENTIAL ITEMS**

**APOLOGIES FOR ABSENCE**

**AR/17/038** Apologies for absence were received from John Sidney.

**MINUTES OF PREVIOUS MEETING**

**AR/17/039** The minutes of the previous meeting, held on 22 June 2017 were agreed as a true and accurate record and duly signed by the Chair.

**INTERNAL AUDIT REPORTS**

The Internal Auditor presented the reports of the internal audits which had taken place in the period since the previous Audit & Risk Committee.

**Examinations**

**AR/17/040** The internal auditor drew the Committee's attention to the report with particular attention to the overall audit opinion which was substantial assurance with two recommendations. One recommendation is around the number of awarding bodies used by the College with a recommendation that this number be refined as an efficiency exercise, along with the monitoring and reporting of awarding bodies – update and review of those used, with a review of the associated costs.

**AR/17/041** The Committee questioned if the recommendation was reasonable around reducing the number of awarding bodies and the Principal advised that the College is currently exploring the possibility of joining with other Colleges to see if there are any financial savings to be made via a joint agreement.

**AR/17/042** The Director of PPQ advised that cost is not necessarily the driving factor in choosing an awarding body, quality of the programme is also a consideration, along with employer preferences for particular programmes.

### **Safeguarding & Prevent**

**AR/17/043** The internal auditor explained that this was a follow up report from a previous audit which took place earlier in the year. Key findings from the follow up visit were:

#### **AR/17/044**

- HR files – some staff files did not have the expected information within them. The DP F&R added that some of this can be attributed to the historical nature of information which is now a requirement to be on file but was not a requirement at the time of the individual's appointment.
- Recommendation around IT filters, for example the same filters do not appear to be in place for guest log ins as there are for staff and student log ins. **The DP F&R raised that this has now been resolved.**
- Single Central Record – some gaps were identified on HR files regarding missing paperwork – this is in line with the earlier recommendation.
- Training for Safeguarding and Prevent – 4 staff not completed Safeguarding training and 5 staff have not completed Prevent training. There were also some gaps with Governors' having completed this training. The Acting Clerk advised that on investigation it had been identified that some of these governors had completed the training but the certification had not been passed on to HR for filing, there were a very small number of Governors who had either not completed the training or the certificate proving completion could not be located. In this instance training will need to be undertaken and this is in hand.
- Evacuation fire drills – none had taken place at the time of the audit. The staff governor in attendance, who has responsibility for Health & Safety, raised that the audit had taken place early in the term with a full evacuation drill at Channelside having already been carried out, with the Rating Lane evacuation not being completed at that point in time.

**AR/17/045** Follow up on previous recommendations

The internal auditor outlined the recommendations arising from previous audits with a progress update against each of these recommendations. All are on track for completion.

**AR/17/046 Resolved: The Committee noted the report**

### **INTERNAL AUDITOR'S ANNUAL REPORT**

**AR/17/047** The annual report was presented which provided an overview and summary of all the internal audit activity which had taken place over the year, along with any progress made against each area of activity and any areas of development for the upcoming 2017-18 academic year. This was a comprehensive report which included a summary of all the internal audits which had taken place over the previous 12 months, all of which had been received by and reported to the Audit & Risk Committee. There were no areas of concern outstanding with the overall opinion being that the internal auditors are satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of the College's governance, risk management, and systems of internal control for the year ending 31st July 2017. In giving this opinion, it is noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control

**AR/17/048 Resolved: The Committee noted the report.**

### **ANNUAL REPORT OF THE AUDIT COMMITTEE**

**AR/17/049** The DP F&R reminded the Committee of the background to this report which was to fulfil a funding body requirement when the requirement to have internal auditors was removed. The College had continued to engage internal auditors because it felt that these provided an external assurance and guidance around key areas of the College. However, despite having engaging an internal audit service the requirement to produce this report remains.

The report summarises all the activity the Committee has considered over the previous year, along with an overview of activity for the coming year and was of the opinion that as a result of the assurances

received throughout the academic year the Committee were assured that the College has in place adequate and effective audit arrangements. In addition the Committee were assured that the framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets are sufficiently robust to provide a reasonable opinion.

The report will go to Board for final approval and will then be issued to the funding agency with the financial statements for the previous year.

**AR/17/050 Resolved: The Committee recommended the report for approval by Board.**

### **RISK MANAGEMENT REPORTS**

**AR/17/051** The DP PPQ referred the Committee to a number of reports which outlined the risk process and monitoring which had taken place since the last Committee meeting:  
Risk Register, Risk Register Commentary, Risk Management Action Plan, Risk Register Schema

**AR/17/052** The key changes within the risk register were outlined, these were around

- Number of learners below target – this is being tracked and monitored for impact on finances
- Lack of timeliness and accuracy of student data – typically this is around apprentices and is a direct result of the changes to the apprenticeship levy
- There are a number of risk controls which have been added to assist the college in effectively managing and mitigating risk
- Embedding of risk controls, 82% are inherent risk controls with 18% new to the risk register
- Outline of actions – no concerns all are on track for completion at the present time

The Committee questioned how the risk register is monitored. The Director of PPQ advised that the risk register is formally reviewed on a termly basis by the senior leadership team, and outlined the process for carrying this out.

The Committee considered the Risk Register Policy which is formally approved by the Committee on an annual basis, the Principal PPQ advised that there were no procedural changes to the policy other than minor changes around structure for example.

**AR/17/053 Resolved: The Committee recommended the Risk Register Policy for Board approval without amendment**

### **REGULATORY AUDITOR'S MANAGEMENT LETTER**

**AR/17/054** The external auditor referred the Committee to the executive summary and informed the Committee that they are of the opinion to recommend the financial statements of the College for approval.

The accounts are almost complete with a small number of items requiring completion before the formal sign off of the accounts, the external auditor added that none of these items are expected to cause any issues.

The audit opinion is that there is substantial assurance with the financial statements of the College.

The auditor referred the Committee to the section within the statements around Adjustments arising from Audit Work and pointed out that there is one noted within draft report distributed which upon further investigation will be removed.

The external auditors have made six recommendations which had been classified as medium or low risk for future years and none of which required a delay to the signing off of the financial statements.

**AR/17/055 Resolved: the Committee recommended the Regulatory Auditor's Management Letter for approval by Board.**

The Internal and External Auditors left the meeting.

**ITEMS FOR NEXT AGENDA**

**AR/17/056** No items were raised.

**CONFIDENTIALITY**

**AR/17/057** The Committee considered the items and concluded that none required confidential classification.

**DATE OF NEXT MEETING**

**AR/17/058** It was noted that the next scheduled date of the Committee unusually occurred after the Finance & Resources Committee meeting, it was agreed to revise the Audit Committee date to take place before the scheduled F&R Committee on 22 March 2018.

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**MINUTES APPROVED**

Signed \_\_\_\_\_ Don Logan - Chair of Audit & Risk Assurance Committee

Date \_\_\_\_\_ Subject to Amendments / No Amendments

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