

Minutes of the Audit and Assurance Committee Meeting held on 14 June 2018

Present Mark Johnson (*Chair*), Peter Coley (*Vice Chair*), Amanda Allen

In attendance Jacque Carman (*Director of Finance and Corporate Services*)
Paul Oxtoby (*RSM UK Audit*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies

There were none.

2 Declarations of Interest

There were none.

3 Minutes of Meeting held 13 March 2018 and Matters Arising

The minutes of the meeting held 13 March 2018 were corrected regarding attendance and approved as a true record.

There were no matters arising.

4 Internal Audit

4.1 Internal Audit Report on Finance – TIAA

Jacque Carman reported that a robust process had been undertaken in the Assurance Review of Budgetary Control. The review gave assessment as substantial assurance and there were no recommendations.

The Internal Audit Assurance Review of Budgetary Control was accepted.

4.2 Internal Audit Appointment 2018/2019

Members noted the review of internal auditor performance. Jacque Carman reported that there was an effective balance of review and challenge and that work undertaken with regard to Marketing and GDPR had been particularly beneficial.

The Audit and Assurance Committee resolved to recommend to the Corporation the reappointment of TIAA as Internal Audit Service providers for 2018/2019.

5 Progress Reports

5.1 Recommendation Tracking on Audit Action Plans

Members considered the progress made against audit action plans. Jacquie Carman highlighted where progress had been made and items were recommended for closure. Members noted where work remained ongoing and where implementation dates were necessarily revised.

The progress report was received, and it was agreed that all closed actions be removed from the list.

5.2 DisabledGo Action Plan

Following the survey of College sites by DisabledGo the College had drawn an improvement action plan which the Committee had asked to see.

Jacquie Carman explained that some areas would require further investigation, however, some progress on proposed actions should be seen before the autumn Meeting of the Committee.

Members discussed visual fire alarm beacons and how fire safety arrangements were addressed in College and for customers hiring rooms.

Action 5.2a It was agreed that an update would be reported to the Committee in the 2018/2019 cycle of business.

6 Self-Assessment

6.1 Review of the Regularity Audit Annual Self-Assessment

Jacquie Carman reported that the self-assessment of compliance with regularity requirements had been conducted for 2017-2018 and there were no items of concern. The process was comprehensive and provided a good evidence base that all areas of regularity had been covered.

It was noted that under the controls and monitoring of expense claims the College response should include a statement where no ex-gratia payments had been made.

That the Audit and Assurance Committee considered the self-assessment of compliance with regularity and proprietary requirements and recommended to the Corporation that this be signed by the Chair and the Accounting Officer of the College before being submitted to external audit as part of the regularity audit process for 2017/18.

6.2 Self-Assessment of Compliance with the Financial Memorandum

Members were informed that self-assessment of compliance was now undertaken against the Conditions of Funding Agreement. This had been addressed and a traffic lights rated review provided. The majority of areas were rated as green, with three amber areas highlighted and noted by members.

The Audit and Assurance Committee noted the self-assessment and compliance with the condition of funding as part of the overall assurance framework.

7 External Audit Plan 2018 – RSM

Paul Oxtoby outlined key points of the external audit plan for the year ending 31 July 2018. This highlighted the timetable and communication, potential misstatements, pension scheme liabilities, the College as a going concern, management override of controls and reporting of fraud.

Members further discussed the scope of external audit.

Paul Oxtoby referred members to the provision in Appendix D of briefings on emerging issues. The Clerk responded that these were very helpful.

The Audit and Assurance Committee resolved to accept the External Audit Plan for year ending 31 July 2018.

8 Audit and Assurance Plan 2018/2019

The outline plan for College audit work was considered by members. The plan addressed key areas of work to be conducted by ICCA, TIAA and Dan Grant Associates.

Jacque Carman reported that key areas arising from the risk workshops conducted with staff included increased competition, maintaining financial resilience, investment in the College, increased student needs and digital growth.

Members discussed the need for the planned Finance audit to ensure appropriate financial controls in transfer of staff to Halesowen College Enterprises.

The Audit and Assurance Committee recommended that the Corporation adopt the proposed Audit and Assurance Plan for 2018/2019, subject to review in the autumn term, once the risk process was completed and the new strategic plan launched.

9 Criminal Finance Act

Members were updated on the impact of the Criminal Finance Act 2017. Key changes and recommended best practice had been reviewed.

Members noted the impact of the Criminal Finance Act and required actions.

10 Audit and Assurance Committee Terms of Reference

Members considered the updated terms of reference and discussed membership.

The Audit and Assurance Committee resolved to recommend to the Corporation the updated Committee Terms of Reference.

11 Audience with Auditors

The opportunity for members to have an audience with auditors remained provided for in the Committee's terms of reference. Following discussion, it was noted that a standing agenda item was not required.

12 Any Other Business

There was none.

13 Date of Next Meeting

The next meeting of the Audit and Assurance Committee is as scheduled for Tuesday 13 November 2018 at 6pm.

The meeting closed at 7.30pm

Actions from Meetings		
Audit and Assurance Committee Meeting 13 March 2018		
8	ESFA - Letter from Peter Lauener	JCa
8a	It was agreed that the report provided titled 'Department for Education Letter to Principals and Chief Executives', be maintained and regularly returned to the Audit and Assurance Committee for review.	November 2018
9	Risk Management	JCa
9a	It was agreed that the Risk Management report could in future be provided in a revised format.	June 2018
Audit and Assurance Committee Meeting 14 June 2018		
5.2	DisabledGo Action Plan	JCa
	It was agreed that an update would be reported to the Committee in the 2018/2019 cycle of business.	November 2018