

Minutes of the Audit and Assurance Committee Meeting

held Tuesday 12 March 2019

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

In attendance Jacquie Carman (*Director of Finance and Corporate Services*)
Peter Harrison (*TIAA Ltd*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies

Apologies were received on behalf of Paul Oxtoby.

2 Declarations of Interest

There were none.

3.1 Minutes of the meeting held 13 November 2018

Minutes of the Audit and Assurance Committee Meeting held 13 November 2018 were approved as a true record.

3.2 Matters Arising

There were no matters arising, with the remaining action addressed through the agenda item 6.2 Access Able.

4 External Auditor - Assessment of Performance Indicators for 2017/18 and indicators for 2018/2019

Jacquie Carman reported on the aspects of external audit service monitored, that the external audit process had been conducted efficiently and had been helpful. The current indicators remained relevant and it was proposed to retain these going forward.

Members of the Committee asked a number of questions to ensure that the assessment was robust, including auditor understanding of the sector. Jacquie Carman responded that sector, College and technical accounting knowledge were considered and that this could be reflected in the assessment report.

In response to further questions Jacquie Carman explained the planning cycle and timetable of the audit work conducted and how this was communicated.

The Audit and Assurance Committee received the report and agreed that there be no substantive changes at present to the External Audit Key Performance Indicators for 2018/2019 and that the 'knowledge of business' aspect of service monitored, be further broken down to reflect College, sector and technical accounting knowledge.

5 Internal Audit Reports from TIAA

Peter Harrison was pleased to report positive outcomes from three good internal audit reviews.

5.1 Assurance Review of Marketing

The assurance review of Marketing provided a substantial assurance rating with one compliance recommendation.

Members asked questions on how staff use of social media was being governed, particularly responses to unpleasant comments.

Jacque Carman reported on training that had been provided for all duty managers to be able to respond to posts through the College Facebook account and that the College was moving to use of one account, rather than individual departmental pages.

It was also noted that the College approach would be to contact Google to remove inappropriate content.

5.2 Appraisal Review of Strategic Planning

The appraisal review of Strategic Planning provided a substantial assurance rating with no recommendations.

Members asked if there were any perceived areas for improvement and Peter Harrison affirmed that, based on both expectations and comparisons, the College was not indicating any gaps; that the plan was controlled and monitored.

5.3 Assurance Review of Halesowen College Enterprises - Finance

The assurance review of Halesowen College Enterprises provided a substantial assurance rating and reported that strong financial controls were in place. One operational effectiveness suggestion had been given.

Members asked questions on the level of testing that was undertaken during the audit. Peter Harrison responded that a range of checks were undertaken and that there were no concerns arising from the audit process. It was noted that while the College had reduced the use of cash it needed to remain diligent in all areas of remaining cash handling.

The Audit and Assurance Committee received the internal audit reports; Marketing, Strategic Planning, and Halesowen College Enterprises - Finance, noting the assurance provided. The Committee accepted the recommendations as agreed by management and the management responses provided.

The Chair thanked internal auditors for their work.

6 Progress Reports

6.1 Audit Action Plans

Jacquie Carman précised the progress against actions remaining from audit work undertaken and reported that there were no areas of concern. In particular actions relating to Work Experience would remain ongoing as while the College had made good progress it continued to work towards the funded target.

Members discussed at length actions relating to ICT equipment replacement, particularly the level of risk afforded and the timescale for actions.

Action 6.1a It was agreed that a further discussion on the risk rating and timescale for actions relating to ICT would be continued at the next meeting of the Committee.

The Audit and Assurance Committee considered the progress report on Audit Action Plans and authorised that the closed items be removed from the list.

6.2 Access Able

Jacquie Carman outlined the work of Access Able (previously Disabled Go), who as part of the College approach to Leaders in Diversity, had been invited into College to undertake a review. The resultant action plan from their site visits was in progress.

Members noted the ongoing work and asked if the College was approved by Access Able. Jacquie Carman affirmed that the College was included on Access Able's website.

Members also noted that as part of the College's impending Whittingham Campus block development there would be use of temporary classrooms.

The report was received.

7 Audit and Assurance Plan 2018/2019 - Mid-Year Update

Members received Jacquie Carman's update to the Audit and Assurance Plan, which recommended an additional piece of work to review high level key financial controls, in response to sector developments, such as the new insolvency regime. Members agreed that the scope of the proposed audit should reflect the assurance sought, in relation to financial management, in light of the insolvency regime.

The review also suggested that the planned audit of Work Placement Learning would be more usefully undertaken in November 2019.

The Audit and Assurance Committee received the mid-year update noting key risk factors and approved

- that TIAA conduct a review of High Level Key Financial Controls
- that the audit of Work Placement Learning be deferred until November 2019 and that the Corporation be informed.

8 Risk Management - Risk Management Mid-Year Update 2018/19

Members considered the key themes and associated updated reports comprising the mid-year review of risk.

Members discussed in detail their understanding and use of the suite of risk reports. Focus was placed on visibility and understanding of highest risks and any movement in relation to these.

Members also reiterated that Digital remained a prevalent risk throughout the reporting to the Audit and Assurance Committee and that it was important to see clear actions to address this.

Action 8.1a It was agreed that future reports on risk management would highlight within the executive summary the key risks and the relationship of key reports in the risk management model.

The Audit and Assurance Committee approved the Risk Management Mid-Year Update 2018/2019.

9 Anti-Fraud Self-Assessment Checklist - Self-Assessment

Jacque Carman outlined the basis of the annual review of control arrangements to combat fraud. The RAG rated assessment indicated some amber and one red area. Enhanced controls on sessional pay had subsequently been put in place to avoid error.

Members asked questions on assurance, that staff abided by policies and procedures as put in place and on addressing increasingly sophisticated cyber fraud. Jacquie Carman outlined that a range of checks and balances were put in place and explained staff training undertaken, from awareness raising for all staff, to higher level training for finance staff. Challenges and risks facing all organisations regarding identify management, digital security and issues of collusion were further highlighted. Training for staff remained ongoing.

The Audit and Assurance Committee received the Anti-Fraud Self-Assessment.

10 Any Other Business

There was none.

11 Date of Next Meeting

The next meeting of the Audit and Assurance Committee was noted, as scheduled for Tuesday 11 June 2019 at 6pm.

The meeting closed at 7.30pm

Actions from Meetings		
Audit and Assurance Committee Meeting 12 March 2019		
6.1a	<p>Progress Reports - Audit Action Plans</p> <p>It was agreed that a further discussion on the risk rating and timescale for actions relating to ICT would be continued at the next meeting of the Committee.</p>	<p>JCa</p> <p>June 2019</p>
8.1a	<p>Risk Management - Risk Management Mid-Year Update 2018/19</p> <p>It was agreed that future reports on risk management would highlight within the executive summary the key risks and the relationship of key reports in the risk management model.</p>	<p>JCa</p> <p>November 2019</p>