

Minutes Part I

Audit Committee	
Meeting Time and Date	0830 on 18 June 2018
Meeting Location	Room H2, Enfield
Present	Robert Howard (Chair) Paul Campbell Beryl de Souza Guy Jones-Owen Tracy Edmonds (Buzzacott) Paul Goddard (Scrutton Bland)
	Damien Fallon (Finance) Malcolm Goodwin (Principal) Richard Prowse (Facilities) Joanne Coffey (Clerk)
Apologies	Susanne Datta (HR) Lynn Hart (Academic)
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	Action
<p>1. Apologies</p> <p>1.1. Apologies were given for Susanne Datta and Lynn Hart.</p>	
<p>2. Declaration of Interests</p> <p>2.1. As Chair of the Health and Safety Committee, Paul Campbell declared an interest if any Health and Safety issues were discussed.</p>	
<p>3. Election of Vice Chair of Audit Committee (Decision)</p> <p>3.1. Beryl de Souza proposed that Guy Jones-Owen be nominated as Vice Chair of Audit,</p> <p>3.2. Paul Campbell seconded the nomination and the remainder of the Committee unanimously agreed the decision.</p> <p>3.3. Guy Jones-Owen was congratulated on being elected Vice Chair of the Audit Committee.</p> <p>Resolved to</p> <p>3.4. Elect Guy Jones-Owen as Vice Chair of the Audit Committee for a 3 year term of office.</p>	
<p>4. Minutes (Decision)</p>	

<p>Resolved to</p> <p>4.1. Approve the minutes of the Audit Committee meeting held on 5 March 2018 as a correct record and authorise the Chair to sign them.</p>	
<p>5. Matters Arising</p> <p>5.1. A re-tender of the external auditors to be conducted in 2018-19 was added to the matters arising.</p> <p>5.2. The records for safeguarding, PREVENT and equality and diversity training are being amalgamated into a single central record on iTrent, the Colleges bespoke HR system.</p> <p>5.3. PREVENT training for Governors will be presented at a Full Governing Body meeting.</p>	<p>HR/Clerk</p>
<p>6. Report of The Director of Finance (Decision)</p> <p>6.1. Work has been progressing well with both the College's internal auditors, Scrutton Bland, and external auditor, Buzzacott.</p> <p>6.2. Where previously, the Teachers' Pension Scheme End of Year Certificate (EOYC) was approved directly with the Teachers' Pension Scheme, this is now approved via an engagement letter between the College and Buzzacott. The Principal was authorised to sign, following approval by the Audit Committee.</p> <p>6.3. The new General Data Protection Regulations (GDPR) has required a large volume of work to be carried out due to the extensive reformation of how data must now be managed. Scrutton Bland have been commissioned to review this work in July 2018.</p> <p>6.4. As GDPR processes progress, further testing by Scrutton Bland, from their work with both the College and industry, should provide added value points for best practice.</p> <p>6.5. The Committee felt that a measured approach was necessary to balance GDPR measures against transition and retention arrangements.</p> <p>6.6. The new Post 16 Audit Code of Practice has redefined the definition of significant fraud, based on emerging information being consistently shared within the industry.</p> <p>Resolved to</p> <p>6.7. Approve the extension of the 2017-18 internal audit programme to include a review of the College's response to the GDPR legislation at a price of £1,325 ex VAT.</p>	

<p>6.8. Approve the addendum to the current Letter of Engagement with Scrutton Bland which implements their Privacy Policy as required by the GDPR legislation.</p> <p>6.9. Approve the letter of engagement issued by Buzzacott with regard to its review of the College's operation of the Teachers' Pension Scheme.</p>	
<p>7. Internal Audit Reports – Year to date 2017-18 (Decision)</p> <p>7.1. The remaining reports, to be issued by Scrutton Bland over summer 2018, will be formally presented in November 2018 and circulated to the Audit Committee by email in September 2018.</p> <p>7.2. All completed audits demonstrate Green low assurances with Debtors at Good progress, Safeguarding and PREVENT at Strong and Risk Management at Significant.</p> <p>7.3. The audit for Capital Projects will act to inform how well the College is prepared to manage developmental projects including Crystal Palace and the Enfield Visitor Centre.</p> <p>7.4. The Quality Management audit will focus on key performance targets for apprenticeships.</p> <p>Resolved to</p> <p>7.5. Reaffirm the internal audit assurance strategy and annual plan for 2017-18.</p>	<p>Scrutton Bland</p>
<p>8. Internal Audit: Assurance and Annual Plan 2018-19 (Decision)</p> <p>8.1. The annual programme of audit proposed for 2018-19 is 34 days which includes 10 days for onsite meetings and a more streamlined and flexible schedule of work.</p> <p>8.2. The proposal for the Assurance Strategy and Annual Plan 2018-19 remain the same as the previous year, to provide opinions on Assurance, Risk Management, Governance, Internal Control, Value for Money, Safeguarding of Assets and Solvency.</p> <p>8.3. In order to thoroughly test processes, Scrutton Bland are including a mystery shopping exercise on the learner recruitment audit.</p> <p>8.4. If debt management continues to perform well, auditors may substitute time with other areas that may require more focus.</p> <p>8.5. The Committee noted the importance of assessing the impact of one department's achievements on another, where, for example, a successful marketing campaign could create higher recruitment needs.</p>	

<p>Richard Prowse joined the meeting</p> <p>8.6. The standardisation of the English and maths framework is being reviewed to ensure condition of funding is being complied with and student engagement and attainment is optimised.</p> <p>Resolved to</p> <p>8.7. Approve the College internal Audit and Assurance Strategy and Annual Plan for 2018-19.</p>	
<p>9. Annual Checklist of the Audit Committee 2017-18 (Decision)</p> <p>9.1. All performance criteria have been met by the College.</p> <p>9.2. As purchasing systems are devolved out to individual departments, benchmarking is more subjective, based on comparisons and experiences with previous vendors, against the framework of the College's purchasing guidelines.</p> <p>9.3. The Committee felt that the Annual Checklist would be better received in the autumn cycle going forwards when tender processes could also be considered.</p> <p>9.4. To facilitate the Committee's value for money assessment, a more detailed paper, including procurement data thresholds and the Learner Satisfaction Survey [or a value for money statement by the Academic Committee], will be presented at the autumn 2018 Audit Committee meeting and Governing Body.</p> <p>Resolved to</p> <p>9.5. Postpone the paper and decisions of the Annual Checklist of the Audit Committee to the autumn cycle from November 2018 onwards.</p>	<p>Finance / Clerk</p>
<p>10. Review of Overall Risk (Decision)</p> <p>10.1. The revised Risk Register now contains more functional descriptions of risk with cause and effect statements and enhanced evaluation criteria.</p> <p>10.2. All sub-committees and additional internal College meetings are now reviewing and assessing their own areas of risk.</p> <p>10.3. Risk Appetite demonstrates the College's strategic intentions through its attitude towards the inherent risks associated with the College and its operating environment. All sub-committees should assess for accuracy.</p> <p>10.4. Target Risk is a new category introduced in the new Risk Management Policy to provide a benchmark to evaluate</p>	

<p>Residual Risk and to steer risk monitoring and management. All sub-committees should assess for accuracy.</p> <p>10.5. Colours to be removed from Risk Appetite and Target Risk numerical columns so that the inherent and residual risk evaluations remain prominent.</p> <p>10.6. The Committee thanked the Principal and Scrutton Bland for their hard work in creating the new Risk Register and gave assurance that the process is suitable.</p> <p>Resolved to</p> <p>10.7. Enter the above revisions to the Risk Register (Appendix I for GB) and recommend it to the Governing Body.</p>	<p>Governing Body</p>
<p>11. Financial Statements Auditor’s Planning Arrangements 2017-18 (Decision)</p> <p>11.1. Buzzacott, the College's external auditors, presented their Audit Strategy for the year ending 31 July 2018.</p> <p>11.2. The new Regularity Assurance Framework from the Education and Skills Funding Agency (ESFA) requires improved transparency of transactions with subsidiary companies, disposal of grant funded assets, fraud and whistleblowing allegations.</p> <p>11.3. As the College's adult funding is subject to its post year-end submission to the ESFA, confirming actual delivery against target, the financial statements should reflect any potential return of funds as high risk.</p> <p>11.4. Buzzacott' fees are in-line with inflation, apart from the Teachers' Pension Scheme (TPS) which will involve a higher volume of work.</p> <p>Resolved to</p> <p>11.5. Approve the Audit Strategy proposed by Buzzacott in respect of the audit of the College and its subsidiary companies for the year ended 31 July 2018.</p>	
<p>12. AOB</p> <p>12.1. As it was seen as best practice for the Audit Committee members to not form part of other sub-committees, to ensure no conflicts of interest, Paul Campbell, as Chair of Health and Safety Committee, relinquished his Audit Committee membership.</p>	

<p>12.2. Paul was thanked for his hard work and enthusiasm during his membership of the Audit Committee.</p> <p>12.3. Although the College currently supports mental health through the Community Vineyard, Governors discussed the relevance of social prescribing to the College, where local Clinical Commissioning Groups (CCGs) via GP clinics could grant funding for land-based courses from a health and wellbeing perspective.</p> <p>12.4. Governor, Beryl de Souza, will provide resources to demonstrate the College's presence to local Care Co-ordinators.</p>	
<p>13. Date of next meeting</p> <p>13.1. The next Audit Committee meeting will take place on Tuesday 20 November, 2018.</p>	