

Growing your potential in the Natural Environment

**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON MONDAY 15 JUNE 2015
AT CAPEL MANOR COLLEGE (ENFIELD CENTRE)**

MEMBERS:

Governors: Mr Robert Howard
Mr Paul Campbell
Dr Beryl De Souza
Mr Guy Jones Owen - (Independent Member)

In attendance: Stephen Dowbiggin OBE
Malcolm Goodwin
Nicholas Evans
Damien Fallon
Simon O'Hear
Lisa Westray
Mark Smith - (Scrutton Bland)
Avnish Savjani - (Buzzacotts)
Clare Kendle - (Clerk)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Malcolm Goodwin

2. DECLARATIONS OF INTEREST

There were no new declarations of interests to note.

3. MINUTES OF AUDIT COMMITTEE HELD ON 9 MARCH 2015

RESOLVED: The Minutes of the meeting of the Committee held on 9 March 2015 were approved as a correct record and signed by the Chair.

4. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 9 MARCH 2015 NOT ELSEWHERE ON THE AGENDA

RECEIVED paper 4 matters arising for Information.

Noted:

- i. The present system for managing risk has been deemed fit for purpose. The need to change this to include risk mapping is not a priority at this time;

- ii. the anti-fraud and the anti-bribery policies will be considered by F&GP in June 2015 and then brought back to the Committee in November 2015 for consideration in the context of the Fraud Response Plan;
- iii. if approved these documents will be appended to the financial regulations.

5. REPORT OF THE DIRECTOR OF FINANCE

RECEIVED paper 5, from the Director of Finance for Information.

NOTED:

- i. That the work of the Internal Audit Service is progressing well and is on schedule;
- ii. that the work of the External Audit Service is progressing well and is on schedule;
- iii. the Teacher's Pension Scheme progress has been audited by Buzzacotts and the annual return has been submitted to the Teachers' Pension Scheme.

6. VISIT TWO 2014/15 INTERNAL AUDIT REPORT

RECEIVED paper 6, from the Director of Finance for Decision

6.1 General Overview

NOTED:

- i. There has been a rigorous review of all areas audited.

6.2 FOLLOW UP OF PREVIOUS RECOMMENDATIONS

NOTED:

- i. That the College has made good progress in incorporating the recommendations of Scrutton Bland
 - a. In regard to data security recommendations there is the need to consolidate policies and consideration be given to the level of information made available for public access.
 - b. Data security responsibilities be included as part of the induction day that the College requires staff to undertake

- c. Whether the use of portable storage devices should be monitored by carrying out spot check on staff. SMT was quite firm in their view that the protocols in place at the College limit the possibility of misuse and such actions could be damaging to staff trust.
 - d. If encryption for all devices would be appropriate.
 - ii. The current status of safeguarding training is positive and the College works hard to go over and above the set standards, it is now at 98% of all staff trained at the appropriate level. This has been addressed in the QIP and the language amended to set realistic target;
 - iii. timescales for when the internal auditors reports need to be submitted for and the language used. Reports have been requested for earlier in the year to allow time for the implementation of recommendations in year;
 - iv. completion of daily log sheets was highlighted as needing to be monitored as part of the cash review audit, it was a minor point but the Committee was reassured that it has been dealt with.

CURRICULUM PLANNING

6.3

NOTED:

- i. Curriculum planning audit took place and a strong assurance level was given;
- ii. the following were considered strengths;
 - targeting setting and forecasting
 - positive areas to note also are the strategic away day
 - market intelligence
 - learner view (which shows the College has a good handle on the market for learners);
- iii. there were no value added points and no recommendations from the auditors and this shows that the College has clear priorities and is able to continue in the same vein for the coming year;
- iv. that the high quality analysis of data taking place reflect the work of the new Head of MIS;

- 6.4 The response of Scrutton Bland in accommodating the request by Curriculum and Quality that the QIP be considered in year demonstrated the auditors flexibility.

NOTED:

- i. Of the 15% of actions sampled only one required review;
- ii. the need to carefully define targets to ensure they align with ambition and what was achievable and would achieve required outcomes.

FOLLOW UP ON GOVERNANCE FRAUD FRAMEWORK

NOTED:

- i. Support offered by Scrutton Bland for officers formulating Anti-Fraud and Anti-Bribery policies.

Resolved:

- i. **To accept the Risk and Assurance Reports issued by Scrutton Bland as part of the College's 2014/15 Internal Audit Plan covering the following areas;**
 - **the Follow Up of Previous Recommendations**
 - **Curriculum Planning**
 - **Quality Improvement Plan Review**
 - **Follow Up on Governance Fraud Framework**

7. TERMLY REPORT OF THE RISK REGISTER

RECEIVED paper 7, from the Principal for Information

NOTED:

- i. Risk management is an integral part of the College's decision processes;
- ii. there has been a risk added to the register (GM6) relating to Extremism, Terrorism and Gang Culture –this risk will be reported to F&GP;
- iii. an awareness of Gang culture is relevant due to the location of the College and the PREVENT training that will take place for Governors in future training sessions will cover this topic;
- iv. the Committee discussed PREVENT and the content of the training, the risks that could arise (these have been recognised by the College and have been put into the Risk review which is reported to the Governing Body);

- v. the MIP (major incident plan) was discussed and how the College would deal with potential issues;
- vi. the risk register was discussed and how risks are mitigated, Governors were reassured by the evidence that the College was using appropriate processes.

8. INTERNAL AUDIT: ASSURANCE STRATEGY AND ANNUAL PLAN 2015-16

RECEIVED paper 8, from the Director of Finance and Scrutton Bland for Decision

NOTED:

- i. The plan was divided between areas that need review, papers should be reported to the committee earlier (spring and summer meetings);
- ii. the Committee requested to see reports in earlier in the year;
- iii. some detailed amendments including moving English and maths to earlier in the year and budget setting to later;
- iv. the Governors were happy with the balance of work across the year;
- v. an anomaly in the report, (it's assurance arising from the 20/04/2015 Governance audit) Scrutton Bland will look into this and report back for the next meeting in November 2015;
- vi. the learner recruitment audit would include a process of mystery shopping whereby a member of Internal Audit will test the enrolment process to a College course, this will be face to face and online. The Committee discussed the testing of the system and the strategy;
- vii. the Internal Auditors updated the Committee on computer assisted audit techniques which they will use to test fraud in 2017, and the College explained it already does this with Buzzacotts as part of the external audit;
- viii. Theresa Sharman had left Scrutton Bland on 12th June 2015 – the committee wished to thank her for the time she gave the College.

RESOLVED THAT:

- i. **The Audit Committee agrees 34 days for internal auditors at an estimated cost of £17,921.40 excluding**

VAT (this is the same cost as agreed for the 2014/15 year).

RECOMMENDED TO THE GOVERNING BODY that:

- i. **The annual plan for 2015/16 as attached at Appendix I is adopted.**

9. 2014/15 FINANCIAL STATEMENTS AUDITORS' AUDIT PLANNING ARRANGEMENTS

RECEIVED paper 9, from the Director of Finance and Buzzacotts for Decision.

NOTED:

- i. The Audit is not anticipated to have any questions or concerns, the report sets out the expectations and the guidelines for the external audit service;
- ii. key points have come from the SFA/funding agency regarding future reporting. The points are based on the way the regulator looks at the College's financial health;
- iii. the fees charged by the external Auditors were highlighted and accepted by the Committee;
- iv. on the matter of FE and HE SORP – Management and the External Auditors have meet to discuss the 14/15 accounts. It is thought that the impact of the new guidelines will be minimal.
- v. Buzzacotts confirmed that they are independent in the views that they express and this is confirmed in their planning document.

Resolved that:

- i. **approval of the "Audit Approach document" issued by Buzzacott on the College accounts for the year ended 31 July 2015; and**
- ii. **the proposed combined audit fees of £23,005 excluding VAT (comprising £20,575 for the College financial statements and regularity audits; £1,680 for the Vineyard audit and £750 for the review of the Enfield Veg Co. accounts) for the year ending 31 July 2015; on a like for like basis, this represents a 2.5% increase in their costs.**

10. ANNUAL CHECKLIST OF THE AUDIT COMMITTEE

RECEIVED paper 10, from the Clerk to the Governing Body for Decision.

NOTED:

- i. Item 7 (Value for Money) was discussed under the heading 'operation' the information that was given to the Committee and their collective view was that there was assurance and so the matter was confirmed as recommended by the Committee.

Resolved that:

- i. **There is compliance with the Annual Checklist on the work of the Committee for 2014/15.**

The meeting finished at 7pm.

DATE OF THE NEXT MEETING

The next meeting of the Audit Committee will be on Tuesday 24 November 2015 at 5.15pm in Enfield.