



Growing your potential in the Natural Environment

**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON MONDAY 14 MARCH 2016
AT CAPEL MANOR COLLEGE (ENFIELD CENTRE)**

MEMBERS:

Governors: Mr Robert Howard
Mr Paul Campbell (Elected as acting Chair for the meeting)
Dr Beryl De Souza
Stephen Dowbiggin OBE

Independent: Mr Guy Jones Owen

In attendance: Malcolm Goodwin
Nicholas Evans
Damien Fallon
Simon O'Hear
Paul Goddard - (Scrutton Bland)
Clare Kendle - (Clerk)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence for the meeting but as the Chair was delayed the Clerk pointed out that the Committee was quorate and could progress if a temporary Chair was elected. Beryl De Souza nominated Paul Campbell and Guy Jones Owen seconded the proposal.

2. DECLARATIONS OF INTEREST

There were no new declarations of interests to note.

3. MINUTES OF AUDIT COMMITTEE MEETING HELD ON 24 NOVEMBER 2015

RESOLVED that:

The Minutes of the meeting of the Committee held on 24 November 2015 were approved as a correct record and signed by the acting Chair.

4. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 24 NOVEMBER 2015

RECEIVED paper 4 matters arising for Information.

There were no matters still arising from previous meetings

5. REPORT OF THE DIRECTOR OF FINANCE

RECEIVED Paper 5 from the Director of Finance for Decision.

NOTED:

- i. The Internal Audit plan is being completed to schedule and is expected continue to do so.
- ii. The Teachers Pensions Audit needs to be carried out (by Buzzacott) to ascertain whether the College is complying with the necessary standards.
- iii. A discussion about how the College ensures it gets value for money.
- iv. That budget holders within the College are trained when they first take up the role, this process is checked and followed diligently so that all members of staff have the necessary skills in order to show Value for Money with their own budget.
- v. The College to be encouraged to record sponsorships and discounts received and this be noted by department.
- vi. As budget holders have a fixed budget clearly aligned to expectations they are encouraged to make savings so they can invest in other initiatives. This works very effectively.
- vii. In the tendering of bigger projects the College is increasingly going straight to market (rather than solely using a purchasing consortium) so that there is better evidence of Value for Money in the competitive bidding process.
- viii. During the full staff meeting several examples will be given of where staff have gained sponsorship or particular value for money so staff are encouraged to also seek value for money.
- ix. The College has produced an outline tender process for the College's Internal Audit service, to ensure that the College receives an outstanding service year on year.
- x. Both Beryl De Souza and Guy Jones Owen offered to serve on the panel for the retendering exercise.

RESOLVED:

1. That the value for money strategy currently used by the college remains fit for purpose going forward;
2. That the proposed internal audit tender process be approved.

RECOMMENDATION TO THE GOVERNING BODY

3. That Buzzacott be re-appointed as auditor of the Teachers' Pension Scheme for the 2015/16 tax year;
4. That the audit fee for the year 1 April 2015 to 31 March 2016 be agreed at up to £1,050 exclusive of VAT.

6. VISITS ONE TO THREE 2015/16 (INTERNAL AUDIT REPORTS)

RECEIVED Paper 6, from the Director of Finance for Decision.

NOTED:

6.1 Ordering, Receipts and Payments

- i. Scrutton Bland had issued a **Significant** opinion as the assurance level.
- ii. That in the report the Internal Auditor checked that the ordering process was followed along with checking value for money.
- iii. There has been efficiencies made by using the electronic ordering system and this continues to be developed within the College.
- iv. A low risk recommendation was made that the College should monitor the process of raising orders to ensure this is done in a timely fashion and to ensure this is supported fully by SMT.

6.2 English and Maths

- i. Scrutton Bland had issued a **Significant** opinion as the assurance level.
- ii. This is first occasion this aspect of College business has been specifically audited. It was requested by the Curriculum and Quality Committee in response to government focus on this area of educational delivery.
- iii. Scrutton Bland has made two low category recommendations to improve the performance of the system of internal control and

raised one added value point. Management has accepted the recommendations (implemented the second and planned for the first) and the added value point (planned) and are pleased with this outcome.

- iv. The link tutors for each of the curriculum areas are key in the process and assess the level of each student and make sure they are on the right course.
- v. The possibility of a wider promotion of English in the College experience through including drama or other activities.
- vi. The importance of managing the expectations of students so it is clear that they will need to undertake Maths and English as part of their course when they enrol on College courses if they have not enrolled with the correct level of qualification.

6.3 Budget setting and Control

- i. Scrutton Bland had issued a **Strong** opinion as the assurance level.
- ii. That the whole process was considered and tested for Senior Management and Governors.
- iii. The budget process was built on a reassuringly sound basis. Scrutton Bland has made one added value point to improve the information provided by the management accounts.
- iv. Management assess the need to flex the budget based on circumstance. It is this that drives the timing of a revised budget.
- v. Management has accepted the benefit of including the original budget in the management accounting reports (issued to the Governing Body) and have included this detail in the half year accounts to 31 January 2016.
- vi. As part of the audit a wide variety of staff were asked for their opinion on stretch and challenge and their response was positive.
- vii. The auditor had looked at the reporting of budget assumptions to Governors and had found it was sound, accurate and appropriate to risk levels.
- viii. The real-time online reporting was a strong development for all budget holders within the College.

6.4 Learner Records

- i. Scrutton Bland had issued a **Significant** opinion as the assurance level.
- ii. Compliance to SFA/EFA standards was evident.
- iii. That the controls are robust although the sheer numbers being

processed are considerable.

- iv. The low risk recommendations were:
 - That learners should have their support timetabled to ensure all learning is accounted for and recorded.
 - The start date and end date for learners needed to be tightly managed and that management needed to endeavour to mitigate human error as much as possible.
 - When a student transfers from one course to another, this paperwork needs to be signed by the student.

6.5 Learner Recruitment

- i. Scrutton Bland had issued a **Strong** opinion as the assurance level.
- ii. This is first occasion this aspect of College business has been specifically audited.
- iii. There was a mystery shopper experience undertaken by the auditors where it was clear there were robust processes in place for enquiring learners, the experience was positive and friendly.
- iv. That it was an unidentified person calling and therefore the feedback was valid and valuable.
- v. The MIS Manager will produce a report (detailing complaints and compliments) for each academic board meeting to ensure visibility (a low risk recommendation).

The College noted the exceptional work of the auditors and thanked them for their continuing hard work.

RESOLVED:

- 1. to accept the Risk and Assurance Reports on the Ordering, Receipts and Payments, English and Maths, Budget Setting and Control, Learner Records and Learner Recruitment audits issued by Scrutton Bland as part of the College's 2015/16 Internal Audit Plan.**

7. TERMLY REVIEW – RISK SCHEDULE

RECEIVED Paper 7, from the Principal for Decision

NOTED:

- i. The College was asked to look at the current guidelines and decide if they were sufficient or whether a termly report was needed to audit.
- ii. SMT felt that this area was covered sufficiently at this current time in the risk management action plan, they reviewed the areas and agreed that if there were any changes moving forwards to the risk schedule that they would be reported to the audit committee moving forwards.
- iii. SMT has a standing agenda item termly as part of their regular meeting to highlight if there is any risks that need to be reported to Governors.
- iv. There were 5 risks reviewed by SMT to show this in process on the 27th January 2016 and all were already covered by the Risk Management Action Plan (RMAP).

RESOLVED:

1. A standing item to be added to the audit agenda and only reported if SMT feel there are concerns not already covered by the current Risk Management Action Plan.

8. RISK AND ASSURANCE PROGRESS REPORT FOR 2015/2016

RECEIVED paper 8, from the Director of Finance for Decision

NOTED:

- i. That the agreed audit plan was summarised to show, progress achieved to date and work yet to be completed.
- ii. The work is being carried out on schedule to agreed dates.

RESOLVED:

1. Confirm the agreed audit plan for 2015/16 remains appropriate to the current needs of the College.

9. EVALUATION OF PERFORMANCE OF FINANCIAL STATEMENTS AUDITOR FOR 2014/2015

RECEIVED Paper 9, from the Director of Finance for Decision.

NOTED:

- i. The performance of the EAS (External Audit Service) has been well within the current guidelines. The Committee was content with the service provided.

RECOMMENDATION TO THE GOVERNING BODY that:

1. The evaluation of the performance of the External Audit Service for the year ended 31 July 2015 in their audits

of the College and the Vineyard subsidiary are accepted.

10. ANNUAL APPOINTMENT OF THE FINANCIAL STATEMENTS AUDITOR (AND REGULARITY AUDIT SERVICE) FOR 2015/16

RECEIVED Paper 10, from The Director of Finance for Decision.

NOTED:

- i. That the EAS be appointed for the current year
- ii. The disclosure of financial figures of 31 July 2015 will need to be represented under the new standard (FRS102).
- iii. Buzzacotts will work on the Colleges behalf to restate these figures (at a cost of £3,000 regardless of the length of time taken).
- iv. The College will need to present accounts for the Enfield Veg Co Limited and Capel Manor Ltd.
- v. Clarification was given on the length of time both companies been in existence and why these were set up.
- vi. the Committee was reassured by the work of the EAS, which shows Value for Money for the College.

RECOMMENDATION TO THE GOVERNING BODY that:

- 1. Buzzacott is re-appointed as the financial statement and regularity auditor to the College for the 2015/16 financial year;**
- 2. Buzzacott be re-appointed as financial statement auditor to Forty Hall Community Vineyard Limited for the 2015/16 financial year;**
- 3. Buzzacott be re-appointed as auditors to the Enfield Veg Company for the 2015/16 financial year;**
- 4. Buzzacott be appointed as auditors to Capel Manor Limited for the 2015/16 financial year;**
- 5. Buzzacott be appointed to complete the FRS102 review of revised accounting standards for a fee of £3,000 net of VAT;**
- 6. the audit fees for the above be agreed at the next meeting of the Committee when the scope of these audits is known.**

19. DATE OF THE NEXT MEETING:

The next meeting of the Audit Committee will be on Monday 11 July 2016 at 5.15pm in Enfield.

