



"Growing your potential in the Natural Environment"

**MINUTES OF THE AUDIT COMMITTEE MEETING
9 MARCH 2015**

Members: Robert Howard (Chair)
Paul Campbell
Dr Beryl De Souza
Guy Jones Owen (Independent Member)

Other Representatives: Avnish Savjani, Buzzacott
Alison Pyle, Buzzacott
Teresa Sharman, Scrutton Bland
Mark Smith, Scrutton Bland

Also Attended: Stephen Dowbiggin OBE, Principal
Nick Evans, Director of Estates and Buildings
Damien Fallon, Director of Finance
Malcolm Goodwin, Vice Principal, Curriculum & Quality
Simon O'Hear, Director of Human Resources

Clare Kendle, Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Beryl De Souza, the Buzzacott representatives and Mark Smith.

2. DECLARATIONS OF INTEREST

NOTED:

- i. There were no new declarations of interest from members of the Committee or SMT in respect to the agenda items.
- ii. The Committee was updated on the fraud that incurred in 2013/14.
- iii. The Clerk is to ensure the Internal Audit service is tendered for in the next two years.

3. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 NOVEMBER 2014

RESOLVED that:

- i. **The minutes of the meeting held on 25 November 2014 be approved as a correct record and be signed by the Chair.**

4. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2014

NOTED:

4.1 Data Security report

- i. The report had been considered by F&GP who has delegated reviewing it to Paul Jolly (who will liaise with the College IT manager as appropriate).
- ii. F&GP have adopted the proposed policy subject to the above consideration. Once it has been reviewed, the internal auditors are asked to reflect on whether it satisfactorily addresses matters highlighted in their audit report.

4.2 Review of the Quality Improvement Plan (QIP) by Internal Auditors

- i. The audit will look formatively (during the year) and summatively (at the end of the year) at the process with the first year looking at process and the accuracy of the plan and then the progress in second year to review the accuracy of the 2014-15 QIP.

4.3 Mission Statement

- i. F&GP have approved the reviewed content of the mission statement but had requested that the art work needs adapting to make it a more visually appealing document.

5. REPORT OF THE DIRECTOR OF FINANCE

The Committee RECEIVED paper 5, report of the Director of Finance for decision.

NOTED:

- i. Internal Audit is on schedule.
- ii. Buzzacott have undertaken the Teachers' Pension Agency Audit for the last two years and this have proved satisfactory.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **Buzzacott be re-appointed as auditor of the Teachers' Pension Scheme for the 2014/15 tax year.**
- ii. **The audit fee for the year 1 April 2014 to 31 March 2015 be agreed at up to £1,050 exclusive of VAT.**

6. VISIT ONE 2014/15 INTERNAL AUDIT REPORTS

The Committee RECEIVED paper 6, report of the Director of Finance for decision.

General Ledger

NOTED:

- i. Scrutton Bland returned a Significant opinion on the management of risks arising from the operation of the General Ledger. All the recommendations have been applied by management.
- ii. The operation of the General Ledger is audited every 3 years. The Committee requested the Clerk to monitor reports from the Scrutton Bland cycle to ensure a continuity of service should the future internal audit tender result in a change in the provider of the College internal audit service.
- iii. The finance department has strong systems in place so that any rogue transactions would be visible very easily and 'detected'.
- iv. The accounting software contains an audit log of all changes made within the software.
- v. The College has a clear framework about how the staff are trained to abide by the Financial Regulations.

Governance Fraud Framework

NOTED:

- i. Scrutton Bland returned a Reasonable opinion on the management of risks arising from the operation of the Governance Fraud Framework. This area had not previously been specifically audited. A fundamental difference of opinion existed between management and the Internal Audit Service. Management have accepted the Added Value points arising from this report.
- ii. Having considered all opinions, the Committee requested management prepare standalone Anti-Fraud and Anti-Bribery policies. These documents are to be added to the Follow up review so that the Internal Audit service can report back to the next Committee Meeting.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the anti-fraud and anti-bribery policy are developed and appended to the financial regulations. Officers to consult F&GP in June and policies reported for effectiveness in the November Corporation meeting.**

RESOLVED that:

- i. **To accept the Risk and Assurance Reports on the Governance Fraud Framework and General Ledger audits issued by Scrutton Bland as part of the College's 2014/15 Internal Audit Plan with the outcomes as referenced above.**
- ii. **The Committee would like the Internal Auditors to remove the colouring of the 'vari' traffic lights in the report.**

7. TERMLY REVIEW – RISK SCHEDULE

The Committee RECEIVED paper 7, report of the Principal for information.

NOTED:

- i. On the 17th Dec SMT undertook a formal termly review of the risk register, risk measures were identified and the College's systems and procedures are working well.
- ii. The disaster recovery plan has been revised and is being consulted on.
- iii. The development of the MIS management system has not progressed as envisaged and an MIS manager has been appointed to move the important matters forward.
- iv. Both the lone working and risk assessments involving contractors are being reviewed for SMT by the Director of Estates and Buildings.
- v. The Audit Committee found this report helpful and informative, enabling them to keep up to date with the risk management in the College.

8. RISK AND ASSURANCE PROGRESS REPORT FOR 2014/15

The Committee RECEIVED paper 8, report of the Director of Finance for decision.

NOTED:

- i. Two internal audits have taken place as reported above.
- ii. The review of the QIP will take place in early May. Internal audit is asked to consider the QIP as reported to Academic Board in March 2015 and undertake a mid-term assurance check of the relationship between data and the progress reported. As part of the 2015-16 Audit Plan, the Internal Auditors will review the final 2014/15 QIP and give a view on the reliability of the summative process based on a 15% sample.
- iii. When considering the 2015-16 Audit Plan in June 2015 the Committee would like to consider the risk areas audited in the last two years and a three year projection to ensure an adequate coverage of the risk areas.
- iv. Internal audit reports on IT Data security, Curriculum planning and the follow up on previous recommendations will be brought to the next Audit Committee.
- v. The Audit Plan for 2014/15 was confirmed as being appropriate to the current needs of the College.

9. EVALUATION OF PERFORMANCE OF FINANCIAL STATEMENTS AUDITOR FOR 2013/2014

The Committee RECEIVED paper 9, report of the Director of Finance for decision.

NOTED:

- i. The Audit Committee reviewed the performance of the external audit service found a high quality work undertaken.

- ii. This was a cost effective use of the funds.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **The evaluation of the performance of External Audit Service for the year ended 31 July 2014 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 2014/15

The Committee RECEIVED paper 10, report of the Director of Finance for decision.

NOTED:

- i. That the work Buzzacott undertook was of a high standard and timely in its undertaking.
- ii. The fees that are charged for services rendered are agreed and to budget.
- iii. The projected cost for 2014/15 is based on a similar level of work and an inflationary increase (as agreed in the contract).

RECOMMENDED TO THE GOVERNING BODY that:

- i. **Buzzacott be re-appointed as the financial statement and regularity auditor to the College for the 2014/15 financial year;**
- ii. **Buzzacott be re-appointed as financial statement auditor to Forty Hall Community Vineyard Limited for the 2014/15 financial year;**
- iii. **The audit fees for the above be agreed at the next meeting of the Committee when the scope of these audits will be known.**

11. DATE OF NEXT MEETING:

To note that the next meeting is scheduled to take place on Monday 15 June at 5.15pm

R Howard
Chair