

**Minutes of a Meeting of the Audit Committee
Wednesday 20 March 2019**

- Present** Mr J Bryant (Chair)
Mrs C Ajit Singh
- Also present** Mr J Allen (Clerk)
Ms T Aust (Principal)
Mr M Cooper (Executive Director Finance & Compliance)
Mr R Shaunak (MacIntyre Hudson)

The meeting commenced at 1800.

WELCOME, ANNOUNCEMENT & DECLARATIONS OF INTEREST

41. There were no apologies. There were no declared interests against any of the agenda items. It was confirmed the meeting was quorate.

MINUTES

42. It was **RESOLVED** that the minutes of the meeting held 28 November 2018 (Paper 1) be confirmed as a correct record and signed by the Chair.

MATTERS ARISING

43. There were no matters arising from the minutes.

OUTSTANDING AUDIT RECOMMENDATIONS

44. The report (Paper 2) confirmed that of the seven outstanding recommendations, five have been fully implemented and two are work in progress. Those that are still work in progress are on track to be completed against the target date.

45. There were no issues of concern reported to the Audit Committee on the implementation of outstanding audit recommendations.

46. It was **RESOLVED** to note the report.

INTERNAL AUDIT REPORT

47. The Internal Visit Report 04 February 2019 that covered Key Financial Controls (Central Nominal Ledger and Income and Credit Control) was received (Paper 3). The report confirmed the following audit opinion and recommendations:

Audit Report	Audit Opinion	Recommendations
Central Nominal Ledger	Full Assurance	None
Income and Credit Control	Full Assurance	1 Advisory

48. It was noted 'Full Assurance' is described as: *'Key risks are managed*

effectively. The internal control environment addresses the risks it is designed to mitigate and includes many aspects of good practice’.

49. It was noted ‘Advisory’ is described as: *‘Finding does not have a risk impact but has been raised to highlight areas of improved efficiency or good practice’.*

50. The one ‘Advisory’ was as follows: *‘The College should follow up the debtors owing a total of £240 in relation to course fees or write these off as irrecoverable as they relate to 2016/17 and 2017/18’.*

51. It was confirmed Management accepted the recommendation and will act on it accordingly.

52. It was **RESOLVED** to note the report.

53. In discussions on the audit findings on the Central Nominal Ledger, testing identified one journal entry that was created, approved and entered by the Interim Financial Accountant, therefore showing no segregation of duty. This was queried with the Interim Financial Accountant during the audit who informed the auditors that due to the Assistant Financial Accountant being on maternity leave, the journal had to be prepared and approved by the Interim Financial Accountant, however the upload was done by another member of the Finance team. Overall, no issues were noted by the auditors, however going forward, the observation was made by the auditors that the College should ensure that segregation of duties is maintained.

RISK REGISTER

54. The Committee received for review the full Risk Register (Paper 4), as against receiving the Strategic Risk Register (those with a score of 15 or more). This was an oversight but all the high risks were reported on in the Risk Register. It was noted that two of the risks fall within the terms of reference of the Audit Committee.

55. The following changes to the Risk Register had been made since the last meeting:

- Risks 51 and 52 have been added since the last Committee meeting.
- Risk 51 – Accident reporting system – Risk that the current accident reporting system, which is outdated and overly-complicated, may deter full and appropriate disclosure of accidents (Risk score 6).
- Risk 52 – Local Exhaust Ventilation in Workshops – Insufficient dust extraction for volume of plant and machinery in 3D Metal & Woodwork workshop (Isleworth) and Carpentry workshop (S+LC) could lead to excess dust particles and risk of inhalation (Risk score 12).
- Risk 46 has been deleted as this has crystallised. Risk 8 will be retained to cover risks associated with Apprenticeship provision.
- Risks 8, 9, 14, 33 and 45 have been updated but there are no proposed changes to the scores assigned to each of these.
- The scoring of three risks has changed since the last Committee meeting:
 - I. The net score of risk 17 has increased as this risk has now crystallised. This year’s under-recruitment against our 16-18 student number allocation will result in a funding reduction of £658k next year (Risk score 30).
 - II. The gross and net scores of risk 18 have reduced based on the forecast submitted in our mid-year funding claim to ESFA demonstrating that we are on track to over-deliver against our Adult Education Budget

allocation (Risk score 12).

- III. The gross and net scores of risk 48 have increased as income from short-term lettings and full-cost course fees has declined against budget and last year and this position is unlikely to be reversed by the end of the year (Risk score 15).

56. The Clerk confirmed that the Finance Committee and Quality Committee, at their respective meetings this term, conducted a review of the high risks that fall within their terms of reference. Both Committees were satisfied with the robustness of the proposed mitigation actions to reduce the risk and of the sources of 'independent assurances'.

57. The Finance Committee held a discussion on any possible risk implications arising from Brexit. It was confirmed at the meeting that the risk is on the Risk Register but is not listed as a high strategic risk with a risk score of 15 or higher. It was agreed for the Executive to review and reassess this risk and to report outcomes of the review to the Committee.

58. No new risks were identified by either committee.

59. It was **RESOLVED** to note the Risk Register.

60. Governors asked for any update on the stabbing incident that was reported to Governors last week and if any lessons can be learned. It was confirmed appropriate checks and processes were in place and appropriate actions were taken even though the incident took place off the campus. The incident is still subject to a police investigation. A review meeting with key stakeholders is scheduled for next week to see if anything can be learned from the incident and how the College responded. The emergency services complimented the quick actions taken, and professionalism displayed, by the College staff who were involved.

61. Governors asked for any update on the three day UCU industrial action that took place Monday 18 March to Wednesday 20 March 2019. It was confirmed that this week there were scheduled GCSE mock exams and these have been managed with no disruption to students. Some evening sessions were not held due to the industrial action taken but the lessons missed by students will be held towards the end of the academic year to ensure that no learning will be missed.

ANY OTHER BUSINESS

62. There was no other business.

DATE OF NEXT MEETING

63. Wednesday 26 June 2019 @ 6pm.

The meeting closed at 18.40.

Signed: _____ Date: _____
(Chair)

