

Minutes of a meeting of the Audit Committee held on 17 December 2018 at 3.30 pm

at City Centre Campus

Julian Young (by conference
call)
Andy Furse
Andy Parker

Chair of the Committee

In attendance

Heather Cross
Laurel Penrose

Jonathan Creed

Martin Harrison

Clerk to the Corporation
Principal and Chief
Executive

Interim Finance Director -
ICCA

ICCA, Internal Audit Service
(until item 5)

- 1. Apologies and welcome** **ACTION**
The meeting Chair welcomed everyone to the meeting and especially
Andy Parker as a new permanent member of the Audit Committee.

- 2. Declarations of Interest**
None

- 3. Confidentiality of Items**
The Accounts would remain confidential until they were approved. [The
audit reports item 4 & 6 were confidential].

- 4. Internal Audit Plan for 2018/19**

The proposed plan for 2018/19 put forward by ICCA, internal auditors
had been circulated previously.

Martin Harrison was invited to introduce the report and explain the
proposals for audit for the coming year. He commented that he had
examined the college risk register and then taken an internal view. The
two elements of the plan were to look at risk-based elements and also
those which related to corporate governance. The plan included a
value for money study which was based on identifying efficiencies and
management would then need to identify if the proposals were

genuinely achievable. If so, these days would be chargeable, and if not there would be no charge. It was noted that the scheme should be reviewed after year 1 to see if it was successful and only continue if it was found to be useful.

There was a discussion about a need for further review of enrolment recording; in spite of the recent funding audit this needed further internal audit review.

The plan for the 2018/19 year was **approved**.

5. **2017/18 Accounts**

a. Final Completion Report from the Financial Statements Auditors

The final report from Mazars had been circulated previously. It was noted that an unqualified report had been issued, but there were a number of findings, with two internal control recommendations. A complete fixed asset register was still to be put in place and there was an issue of a member of staff being able to access the Finance system even though she had moved to a different part of the college – this had been addressed and it was noted that the risk was limited. Both recommendations would be addressed by March 2019 at the next Audit committee.

The mis-statements listed in the report were acknowledged but it was noted that had a Finance Director been in post, these would all have been resolved prior to the Auditors commencing their work.

The Chair commented that he had asked the Auditors how they found the audit here in comparison with other colleges and they had commented that this college presented the most challenges, however the permanent appointment and retention of a Finance Director would do much to improve the position.

It was noted that action had been taken by the college to address the debt position.

After careful consideration it was **agreed to accept the Financial Statement Auditors report**

b. Letter of Representation

The proposed letter of representation was considered and it was decided to recommend this to the Board for signature.

c. Going Concern Statement

The Auditors had recommended that this statement be prepared. The statement, which had been circulated previously, was considered and it was decided that the position could be confidently reported to the Board concerning going concern for the next year at least.

d. Annual Report of the Audit Committee to the Corporation

The draft report had been tabled; earlier preparation had not been possible through the late receipt of the Internal Audit Annual report.

The report was reviewed and it was **agreed to be submitted to the Board.**

e. Members Report and Financial Statements 2017/18

A revised report had been circulated. This was **approved for recommendation.**

6. **Audit reports for the 2017/18 year**

A Report had recently been received from RSM concerning funding audit and was previously circulated. This covered a smaller sample of work than that covered by the recent ESFA audit. It was noted that whilst both reports should be considered the ESFA funding audit was broader and therefore more confidence could be given from it.

An annual report from the previous Internal Auditors RSM had only been received the previous working day. This had been circulated to the Chair but was laid on the table for other committee members. The timing of receipt of this report was noted with disappointment. The report was noted.

7. **Any Other Business**

None

8. **Date of Next meeting**

This had been scheduled for 11 March 2019 at 4.45 pm but the date may be subject to change depending on the start date for the new Clerk.