

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 12 JUNE 2019 AT 4.00 PM
IN ROOM PG11 AT THE ISLE OF WIGHT COLLEGE

Present:	Dr Nick Sinnamon	Chair
	Mr Graham Cooper	Vice Chair
	Mrs Chris Palmer	
In Attendance:	Mr Peter Thompson	Assistant Principal
	Ms Fidelma Washington	Assistant Principal
	Mrs Tracy Bull	College Accountant
	Mr Brian Bowker	Clerk to the Corporation
In Attendance (External):	Ms Karen Shaw	Southern Internal Audit Partnership
	Mr Chris Cook	RSM UK Audit LLP
Apologies:	Mrs Debbie Lavin, Mr Gordon Pownall	

The Chair commenced the meeting by thanking Sheila Paul, who recently retired as a Governor, for her excellent contribution to the Audit Committee.

ACTION

15/19 DECLARATIONS OF INTEREST

There were no declarations of interest.

16/19 APPROVAL OF THE NON CONFIDENTIAL AND CONFIDENTIAL MINUTES OF THE MEETING OF 6 MARCH 2019

The minutes were approved as a true record of the meeting.

17/19 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 6 MARCH 2019

It was noted that there were no matters arising.

18/19 PUBLIC INTEREST DISCLOSURE: ANNUAL REPORT

The Committee NOTED there were no public interest disclosures.

19/19 COLLEGE RISK REGISTER

The Assistant Principal-Finance and Resources informed members that following consideration and analysis of the RSM report "Further Education Risk Register Analysis" the College identified an additional 22 risks for inclusion in its risk register.

Governors recognised the progress being made in assimilating the data outlined in the RSM report and requested sight of the updated register at the October 2019 meeting.

PT

The Committee CONSIDERED the report.

20/19 "COLLEGE OVERSIGHT: SUPOORT AND INTERVENTION" AND "LETTER FROM FE COMMISSIONER"

Members recognised that any letter from the F.E commissioner requires detailed consideration and in particular the 10 specific points identified in the letter. For this reason the full Corporation will be considering the documents at a briefing session in July 2019.

A Member observed that one size does not necessarily fit all and experience at the IOW College is not positive regarding a separate finance committee. The Chair drew attention to the recommendation that colleges should have at least 3 members with recognised financial qualifications and a separate finance committee. However, he stated that in his experience there was a benefit to having full Corporation understanding and ownership of college finances.

Members then considered the intervention document and noted its significant implications. In particular the finance status has now changed to "requires improvement" and if a college does not achieve financial status "good" the whole intervention apparatus is implemented.

The Committee CONSIDERED the report.

21/19 INTERNAL AUDIT 2018/19 – VISIT 2 REPORT

The Assistant Principal- Finance and Resources introduced the report and stated that 2 of the 3 areas audited received substantial assurance, with the third (IT) receiving an audit opinion of adequate assurance. He added that no significant concerns had been identified by the audit team and all action points arising for the area deemed adequate have all been addressed.

A Member asked that, given the very positive audit outcome, have the right areas been identified for audit. The Assistant Principal stated that they had and detailed planning identifies emerging risks. For example, an area like "offsite activities" rarely receives a substantial assurance, given the high level of human input, and the audit outcome is testimony to good College procedures.

A Member asked if there is an audit plan to review policies. The internal audit representative said that there is and there are good College procedures for formally approving policies and ensuring that staff are fully aware of content. It was noted that the College has central control of policies, which facilitates regular updating.

The Committee CONSIDERED the report.

22/19 DRAFT INTERNAL AUDIT PLAN 2019-2022

Members considered the summary report provided by Southern Internal Audit Partnership, detailing the audit plan for the next three years, which also identifies audit priorities for 2019/20. The Assistant Principal - Finance and Resources explained the rationale for selecting the areas to be audited and highlighted the focus on cash flow, given its high risk to the College.

A Member asked a question regarding marketing, its importance to the College and how Governors receive reassurance on the effectiveness of marketing, given its potential impact on cash flow. The Internal Audit representative stated that their role

was not to monitor the effectiveness of College marketing and that this was best addressed through analysing recruitment.

The Chair asked a question regarding progress on recruitment of students for 2019/20 and the Assistant Principal responded that it is a challenging environment and the College tends to recruit late in the cycle. He added that there are currently some areas of concern but the College is seeking to address these.

Following discussion the internal audit representative suggested that it may be worth considering inclusion of some advisory time to address fraud risks and the Committee agreed.

The Committee RECOMMENDED the Internal Audit plan 2019/22 to Corporation for APPROVAL.

23/19 ACCOUNTING POLICIES

Members considered the accounting policies that will be used to prepare the accounts and will be incorporated into the notes to the financial statements. One change was noted, relating to the change in capitalisation threshold (reduced from £1000 to £500), and also that the note listed under Going Concern, (advising that the College has a £500,000 overdraft facility), has been deleted.

The Committee RECOMMENDED the accounting policies to Corporation for APPROVAL.

24/19 EXTERNAL AUDIT PLANNING MEMORANDUM 2018/19

The external audit representative informed Members that a meeting had been held between RSM Tenon, the College Principal and relevant finance staff. The planning memorandum had then been drafted following the meeting. He then took members through the plan and a number of questions were asked and addressed.

The Chair questioned the compliance aspect of an RSM Tenon student numbers audit and was assured that the 2 audit teams were independent of each other.

The Assistant Principal informed Members that Appendix E on p 26 is a powerful document and is an excellent summary of the key issues facing the F.E sector. The Chair agreed and said that consideration should be given to sharing the appendix with all Governors.

**Clerk/
Principal**

The Committee RECOMMENDED the External Planning Memorandum to Corporation for APPROVAL.

25/19 POST 16 AUDIT CODE OF PRACTICE (ACOP) 2018/19

The Committed NOTED the post 16 ACOP and the action taken by the College.

26/19 FINANCIAL REGULATIONS/PROCEDURES – ANNUAL REVIEW

Members considered the regulations and procedures and were reassured by the level of detail provided.

The Committee RECOMMENDED the Financial Regulations and Procedures to Corporation for APPROVAL.

27/19 AUDIT ISSUES LOG

The Committee CONSIDERED the Audit Issues Log and NOTED that there are currently no outstanding items.

28/19 REVIEW AUDIT COMMITTEE TERMS OF REFERENCE

The Committee RECOMMENDED the Audit Committee TOR to Corporation for APPROVAL.

29/19 EVALUATION OF THE EFFECTIVENESS OF THE COMMITTEE 2018/19

The Clerk was asked to provide an additional evidence statement in section 9a.

Clerk

The Committee CONSIDERED the report.

30/19 GDPR DATA BREACHES

The Committee NOTED the report.

31/19 AUDIT COMMITTEE MEETINGS 2019/20

The Committee NOTED the meeting schedule and agreed the change of date from 10 June 2020 to 9 June 2020.

32/19 ANY OTHER BUSINESS

With the agreement of the Chair, the Assistant Principal-Finance and Resources tabled a paper for consideration regarding the College cleaning contract. Discussion took place and the application of a single tender waiver was suggested, subject to specific criteria being met and included in the College financial regulations.

The Committee CONSIDERED the report.

33/19 DATE OF NEXT MEETING

Wednesday 13 October 2019, 4.00pm – 5.30pm, Room PG11.

Date: _____ Chair: _____

MISSION STATEMENT
Putting Students First
Working for Employers
Supporting our Community