

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 22 APRIL 2020 AT 12.00 PM
VIA MICROSOFT TEAMS

Present:	Dr Nick Sinnamon Mr Graham Cooper Mrs Chris Palmer	Chair Vice Chair
In Attendance:	Mrs Debbie Lavin Mr Peter Thompson Mrs Tracy Bull Mr Brian Bowker	Principal Assistant Principal Director of Finance & Curriculum Planning Clerk to the Corporation
In Attendance (External):	Ms Karen Shaw Ms Frances Millar	Southern Internal Audit Partnership RSM UK Audit LLP
Apologies:	Mr Gordon Pownall Ms Sharon Whiten	

		<u>ACTION</u>
1/2020	DECLARATIONS OF INTEREST There were no declarations of interest.	
2/2020	APPROVAL OF THE NON CONFIDENTIAL MINUTES OF THE MEETING OF 27 NOVEMBER 2019 With one amendment at item 57/19, the minutes were approved as a true record of the meeting.	
3/2020	MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 27 NOVEMBER 2019 There were no matters arising.	
4/2020	INTERNAL AUDIT REPORT 2019/2020 – VISIT 1 The Assistant Principal (Finance & Resources) reminded Members that this was the first visit following the compilation of a more detailed internal audit plan to cover significant issues encountered in other colleges and which had led to interventions by the ESFA or the FE Commissioner. The auditors had undertaken a more invasive approach to assure the Governors that the issues identified in other colleges were not present at the Isle of Wight College. He reminded them that the areas covered were recruitment, promotions and contract terminations; cashflow management and expenses. All three areas received “adequate” assurance. The internal audit representative confirmed that a more forensic approach and a 'deeper dive' had taken place and the outcome was very positive for the College. The final report will be issued shortly. She added that a robust framework of control had been identified in all key areas.	

		<u>ACTION</u>
	<p>A Member stated that very rigorous processes had been undertaken around recruitment but there was one issue regarding a missing procurement item. The Director of Finance & Curriculum Planning provided an adequate response.</p> <p>A Member queried observation 4 regarding expenses and asked if there was an opportunity to include checks in staff annual appraisals, for example to evidence that staff car insurance covers business use. The Assistant Principal agreed to address this.</p> <p><u>The Committee CONSIDERED the report and agreed that the final draft should be RECOMMENDED FOR APPROVAL at the June 2020 Audit Committee meeting.</u></p>	PT
5/2020	<p>INTERNAL AUDIT REPORT 2019/2020 – VISIT 2</p> <p>The Assistant Principal (Finance & Resources) reminded Members that the three areas audited were contract management; sub-contracting controls assurance (ESFA) and payroll. He added that the three areas had given significant concern within the FE sector and the Committee had agreed a modification to the internal audit plan to incorporate these three areas.</p> <p>Members were reassured by the “adequate” assurance on contract management and the “substantial” assurance given to sub-contracting and payroll. The internal audit representative confirmed that it was a very robust review with a positive outcome for the College.</p> <p>A Member asked for an update on the cleaning contract issues and the Assistant Principal updated the meeting on progress. He said that detailed negotiations had taken place, supported by the College’s legal advisers, and it is anticipated that a suitable contract will be finalised in the next few weeks.</p> <p>The Assistant Principal concluded by stating that the demands of the Audit Committee for a very vigorous and robust audit had been met.</p> <p><u>The Committee CONSIDERED the report and agreed to RECOMMEND the final draft for APPROVAL at the June 2020 Audit Committee meeting.</u></p>	PT

6/2020

COLLEGE RISK REGISTER

The Assistant Principal (Finance & Resources) introduced the item by stating that, as requested at the last meeting, the risks had been reconciled back to the risk register. In addition, the key COVID-19 risks had been reconciled back to the risk register.

		<u>ACTION</u>
	<p>The Chair asked about contact with Lloyds Bank and whether a response had been received. The Principal said that the bank had responded in a generally positive and constructive manner. The external audit representative added that any financial deterioration relating to COVID-19 is likely to be supported. She added that it was important that college corporations ensure that they make decisions in full compliance with their Instrument & Articles.</p> <p>The Principal said that she had noted that the big four audit firms were not signing off finances and she asked what were the likely consequences for the College. The external auditor said that a consistent approach will be adopted but it is important for colleges to notify the ESFA if there is likely to be a delay in signing off the accounts.</p> <p>A Member noted the risk around small class sizes and asked for more information and detail on the scale of the risk and associated mitigating action. The Principal responded, stating that this is a current area of focus and will be included in the risk register and reported to the Committee.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
7/2020	<p>DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT</p> <p>No discussion required.</p>	
8/2020	<p>REVIEW OF PERFORMANCE OF THE FINANCIAL STATEMENTS AUDITORS AND ESTABLISHMENT OF ANNUAL PERFORMANCE INDICATORS FOR NEXT YEAR AND APPOINTMENT, RE-APPOINTMENT OR DISMISSAL AND REMUNERATION OF FINANCIAL STATEMENTS AUDITORS (<i>Confidential</i>)</p>	
9/2020	<p>THE GENERAL DATA PROTECTION REGULATION (GDPR) BREACHES</p> <p><u>The Committee CONSIDERED the report.</u></p>	
10/2020	<p>ANNUAL REVIEW OF CONTRACTS: BANKING/LLEGAL/INSURANCE/CATERING, CLEANING AND OTHER CONTRATS</p> <p><u>The Committee CONSIDERED the report.</u></p>	
11/19	<p>ANY OTHER BUSINESS</p> <p>The Chair thanked the internal and external representatives for their contribution.</p> <p>Following a brief discussion the Principal agreed to discuss the College's business continuity plan with the Assistant Principal-Finance and Resources and report back to the committee.</p>	Principal
12/19	<p>DATE OF NEXT MEETING</p> <p>Tuesday 9 June 2020, 4.00pm – 5.30pm, Room PG11.</p>	

Date: _____ Chair: _____

MISSION STATEMENT
Putting Students First
Working for Employers
Supporting our Community