

Present: Mel Allcott and Richard Reece.

In Attendance: Ruth Taylor (Clerk) Barbara Clements (Finance Manager) Michael Kitcatt (Principal)
Ed Senior (Deputy Principal) Liz Needham (Kendall Wadley)

1. **Apologies:** Mike McCreedy and Carole Liddle. Liz Needham, Kendall Wadley, was in attendance in place of Carole Liddle. The Committee **noted** that it was inquorate but determined that since it was an advisory Committee, it would proceed to consider the items on the agenda.
2. **Opening Standing Items:**
 - (i) No declarations of interests were received.
 - (ii) No items were identified as confidential to the Governing Body.
 - (iii) No items of urgent business were identified.

ITEMS FOR DECISION

4. Minutes: 30th November 2016

The minutes of the meeting held on 30th November 2016 were **approved** as a correct record and an update on the action points received.

4. Assurance

(i) Key Financial Controls Audit (autumn 2016)

On behalf of Kendall Wadley, Liz Needham presented the internal controls report from the previous term confirming that the focus of the review had been trial balances, the banking of cash, income, debtors, payroll and fixed assets. As a result of the review 1 high, 2 medium and 11 low priority recommendations had been made, as set out in the report. She reminded governors that the findings had been reported verbally to the Committee at the previous meeting and confirmed that no major areas of concern had been identified.

The Committee spent some time considering the recommendations made by Kendall Wadley. Liz Needham commented that the medium risk trial balance anomaly had arisen due to staff shortages in the autumn term. The Finance Manager confirmed that the Finance Section was now fully staffed. Liz Needham commented that the high risk petty cash error related to a small amount. The Finance Manager confirmed that the process had been reviewed and that petty cash expenditure would now be input monthly and reconciled at each month end.

The Principal queried why the report was marked 'draft' and Liz Needham reported that as far as she was concerned it was the final version.

The Committee **noted** the information provided both in the report and verbally.

(ii) Key Financial Controls Audit (spring 2017)

On behalf of Kendall Wadley, Liz Needham presented the internal controls report from the current term confirming that the focus of the review had been trial balances, the banking of cash, budgetary control, expenditure and creditors. As a result of the review 1 medium and 5 low priority recommendations had been made, as set out in the report. She confirmed that the current term's report was still in draft form and the final report would be presented to the next Audit Committee meeting. Liz Needham commented that the medium risk related to department purchases and the need to segregate duties. The Finance Manager confirmed that she accepted the recommendation.

The Committee spent some time considering the recommendations made by Kendall Wadley with Liz Needham and the Finance Manager responding to a number of questions raised thereon. The Committee **noted** the information provided both in the report and verbally.

The Chair expressed concern that the key themes of the IAS recommendations were in relation to banking and cash, and that although the number of recommendations had reduced there were still some outstanding problems. She was particularly concerned with the ongoing problems with trial balances.

On behalf of the Committee the Chair thanked Liz Needham for her attendance.

Liz Needham left the meeting at 6.10 pm.

5. Review of Fixed Asset Register

The Finance Manager presented the fixed asset register and reported that she had created it from scratch based upon historic information on the ledger; it was as accurate as she could get it. In response to questions raised she confirmed that:

- She reviewed the ledger monthly to identify any items that might be capitalised.
- The register would become more accurate as each year passed.
- The formula for depreciating assets was set out in the College Financial Regulations.
- Once the college moved to a MAT she hoped to move to an electronic based asset system.

The Committee **noted** the information provided.

6. Risk

(i) Review Risk Register and Assurance Map

As agreed previously, the Committee conducted a detailed review of risk register entry 10, relating to buildings, including fire safety, building security, building condition and capital development.

In response to questions raised the Principal, Deputy Principal and Finance Manager responded as follows:

- The premises were insured for damage (unless related to neglect) and in the case of significant damage the College had reciprocal arrangements with NWHS and would also make use of temporary classrooms.
- The Disaster Plan had been based on a template provided by Nottinghamshire County Council. It was due to be reviewed by the College Insurers.

- The Police were due to provide Project Argus, a training incident for senior managers. It was hoped that this would provide insight into how to deal with a lockdown type of incident.
- The triennial fire risk assessment and action plan was recently reported to the Resources Committee. The assessment included a review of the College fire evacuation procedure.
- Significant refurbishment work had been completed in recent years. The Resources Committee had recently agreed to recommend that some of the College Fund monies be utilised to complete the refurbishment of classrooms and corridors on the second floor.
- The significant areas of refurbishment outstanding related to the three remaining 'old' science laboratories.
- A proposal for a 3G football pitch and changing facilities, possibly incorporating a fitness suite, was currently under investigation and would be reported to the Resources Committee.
- Key policies and procedures would be reviewed by the relevant experts where possible.

The Committee **noted** the information provided.

(ii) College Audit Plan for 2016-17

The Principal presented the completed audit plan for 2016-17 including details of the IAS provider for Learner Numbers. The Committee **noted** the information provided and **asked** that the costs associated with each review be added to the Plan and reported to the next Governing Body meeting.

In response to questions raised the Principal, Deputy Principal and Finance Manager responded as follows:

- The change in IAS provider for Learner Numbers was recommended as it provided a fresh pair of eyes and the opportunity to create new relationships.
- The marketing review with the Marketing Consultant had been very useful and the College website was currently under review as a result.
- It was hoped that procurement savings, particularly with regard to stationery and cleaning product would be identified soon, with possible future savings for telecoms, IT, insurance and utilities in the future. Reports would be provided to the Resources Committee.
- The College already used consortiums to secure discounts but it was hoped that in the future the use of a single supplier would simplify in-house systems and secure greater discounts.

(iii) Finance Risk Register

The Finance Manager presented the new Finance Risk Register confirming that it had been discussed at SMT. It had been agreed that the Finance Risk Register would be presented to SMT termly, with an update to be added into the finance risk section of the College Risk Register. The Committee **noted** the information provided.

7. Finance Update

The Finance Manager presented her update report and responded to a number of questions raised in the following areas:

- Monthly budget reconciliations.
- Monthly budget updates for HoDs and, in the future, other budget holders.
- New process for purchase orders.
- Monthly update of asset register.

- Setting of department budgets based on student numbers and relevant weightings.

The Committee **noted** the information provided.

8. Closing Standing Items

- (i) Risk Management: The Committee reflected upon the content of the meeting and **agreed** that no additional Risk Management issues had been identified.
- (ii) Impact: The Committee **agreed** that their role in securing adequate audit services and the monitoring of College systems and procedures, as well as the monitoring of risks and assurances, was important in safeguarding provision for students.
- (iii) Any Urgent Business: No urgent business was identified.
- (iv) Date of Next Meeting: Wednesday 28th June 2017

Richard Reece provided feedback from an AoC governance workshop he had attended on the role of audit. He highlighted the importance of the Audit Committee providing feedback to the Governing Body. In some colleges this was done via a written report from the Chair of the Audit Committee. The Committee **noted** that at WSFC this feedback was provided annually via the Audit Committee’s Annual Report, and termly via the presentation of the Audit Committee minutes by the Chair of the Audit Committee.

The meeting finished at 7.15 p.m.

Signed..... Mel Allcott (Chair) Date.....

AUDIT COMMITTEE: ACTION POINTS ARISING FROM MEETING OF 22nd MARCH 2017

Report Reference	Action Point	Person Responsible	Completion	Check
AC/22.3.17/4(i)	Supply final version of autumn term IAS report	KW	March 2017	
AC/22.3.17/4(ii)	Final version of spring IAS report and review of previous recommendations	KW	AC 28.6.17	
AC/22.3.17/6(i)	Report back on Project Argus	MWK	AC 28.6.17	
AC/22.3.17/6(i)	Update RRAM to refer to Fire Risk assessment 2017	EYS	GB 5.4.17	
AC/22.3.17/6(i)	Report back on Insurers feedback on Disaster Policy	BJC/MWK	AC 28.6.17	
AC/22.3.17/6(i)	Report on any feedback received from experts on key policies	MWK	AC 28.6.17 and ongoing	
AC/22.3.17/6(ii)	Provide GB with completed Audit Plan 2016-17 plus costs for each review	MWK	GB 5.4.17	

ACTION POINTS BROUGHT FORWARD

Report Reference	Action Point	Person Responsible	Completion	Check
AC/30.11.16/7(i)	Ask RSM what is meant by 'regularity enhancement'	BJC	AC 28.6.17*	
AC/30.6.16/10(i)	Investigate possibility of peer review audits for learner numbers	MWK	AC 28.6.17*	

ACTION POINTS COMPLETED

Report Reference	Action Point	Person Responsible	Completion	Check
AC/30.11.16/5(ii)	Report back on review of Fixed Asset Register	BJC	AC 22.3.17	✓
AC/30.11.16/7(i)	Update title of Fraud Response Plan in RR&AM	EYS	December 2016	✓
AC/30.11.16/8(i)	Obtain quotations for audit services re learner numbers review	EYS/BJC	AC 22.3.16	✓
AC/30.6.16/5	Scoring of draft finance risk register by SMT reported to AC next meeting	MWK	AC 22.3.17*	✓

* Denotes revised date.