



## AUDIT COMMITTEE

### Minutes of Meeting on Tuesday 15 March 2016

<b>Present:</b>	Ms M Moore ( <i>in the chair</i> )	Governor
	Ms N Cuffy	Governor
<b>In Attendance:</b>	Ms S Overton-Edwards	Principal
	Mr H Ravat	Vice-Principal Resources
	Mr R Mansfield	Clerk
	Ms E Olson-Williams	MacIntyre Hudson

Ref.		Action
A/16/01	<p><b>Item 1 – Apologies for Absence:</b> Apologies for absence were received from Harnish Hadani and Jim Pain. The meeting was declared quorate. In the absence of Harnish Hadani, it was agreed that Margo Moore should take the chair. Margo Moore welcomed Elaine Olson-Williams to the meeting.</p>	
A/16/02	<p><b>Item 2 – Declarations of Interest in Agenda Items:</b> There were no declarations of interest in agenda items.</p>	
A/16/03	<p><b>Item 3 – Minutes of Meeting on 3 December 2015 and Matters Arising:</b> The minutes of the meeting on 3 December 2015 were accepted as an accurate record and were duly signed by Margo Moore. There were no matters arising from the minutes.</p>	
A/16/04	<p><b>Item 4 – Recommendation Tracking:</b> Hamid Ravat presented the recommendation tracking report. Two outstanding recommendations relating to space utilization had now been actioned. These completed the actions due in respect of the internal audit 2014/2015. Elaine Olson-Williams confirmed that MacIntyre Hudson had found the College diligent in following through the recommendations of the auditors. <b><i>The Committee received the recommendation tracking report.</i></b></p>	
A/16/05	<p><b>Item 5 – Internal Audit Reports 2015/2016:</b> Elaine Olson-Williams introduced the internal audit report for 2015/2016 by reminding the meeting that the internal audit</p>	

was now conducted during a single visit each year. A total of nine areas had been subject to internal audit, as agreed with the College. Nine recommendations had been made, of which three were of medium priority and six of low priority. There had been no recommendations in respect of four areas. Learner enrolment and record procedures were the subject of four recommendations, two of medium and two of low priority. She then reviewed the recommendations in turn. She described the report as very positive, and thanked College staff for their assistance during the audit visit. Hamid Ravat confirmed that the College had accepted all the recommendations and had already taken steps to address some of them. Margo Moore thanked Elaine Olson-Williams for her report.

***The meeting received the internal audit report for 2015/2015.***

*With the agreement of the meeting, Margo Moore deferred item 6 to the last item of business. Items are however recorded in these minutes in agenda order.*

**A/16/06**

**Item 6 – Future Provision of Internal and Financial Statements Audit Services:**

Before leaving the meeting Elaine Olson-Williams was invited to offer her observations on this item. She said that she felt that MacIntyre Hudson had built up a strong working relationship with the College and she would be very pleased to see this continue.

*Elaine Olson-Williams then left the meeting.*

Hamid Ravat presented a paper setting out the histories of the contracts with the College's external auditors (RSM UK Audit) and internal auditors (MacIntyre Hudson). Both had been assessed as giving good service and both charged fees in line with local market rates. Both had strong presences in the FE sector (whose requirements were quite specialized), as did a few other firms. However both RSM Audit UK and MacIntyre Hudson had held appointments with the College for considerable periods, and although there was no formal need to do so it might now be good practice to review one or both of these appointments.

The meeting first considered whether there was a continuing need for an externally provided internal audit service. It was concluded that this was still the most practical way for the Board and the Committee to obtain the necessary assurances about internal control, risk management and governance. Suzanne Overton-Edwards said that she viewed the service as critical.

Nelista Cuffy said that having 'fresh eyes' for the internal audit service appeared to offer more benefits to the College than changing the financial statements auditors. This was

generally agreed. The meeting therefore concluded that the preferred option, subject to endorsement by Harnish Hadani, should be to tender the internal audit service. If he was of a different opinion, a further meeting of the Committee would be required to reach an agreed way forward. (\*)

***The meeting received the paper and provisionally agreed that the internal audit service should be tendered.***

**A/16/07**

**Item 7 – Committee Terms of Reference:**

Robert Mansfield presented the Committee's terms of reference for review. Since including them in the papers for the meeting, he had been made aware of changes to the Joint Audit Code of Practice. These now included (in Paragraph 33) mandatory requirements of the Audit Committee in relation to fraud, irregularity and whistle-blowing. These requirements were not fully and explicitly covered in the current wording of the Committee's terms of reference. He therefore recommended that the terms of reference should be amended to include the new wording.

***The Committee requested that its terms of reference should be amended in compliance with the terms of the current version of the Joint Audit Code of Practice.***

**RM**

**A/16/08**

**Item 8 – Date and Time of Next Meeting:**

The date and time of the next meeting of the Committee were confirmed as Tuesday 17 May at 5.30 p.m.

**A/16/09**

**Item 9 – Any Other Business:**

There was no other business. Elaine Olson-Williams declined the offer of a private meeting without staff present.

(\*) After the meeting Robert Mansfield contacted Harnish Hadani regarding this item. Harnish Hadani confirmed that he was in agreement with the preferred option identified by the Committee.