

SOUTHPORT COLLEGE

MINUTES OF AUDIT COMMITTEE MEETING HELD ON 6TH JUNE 2018

Present:	John Fell	Independent Governor
	Mo Kundi	Independent Governor (Chair)
	Ilush Bricknell	Associate Member
	Richard Jacklin	Associate Member (minutes 122 to 144 and 147 to 160)
In Attendance:	Jonathan Creed	ICCA (Internal Auditor)
	Eddie Green	Vice Principal Services
	Lesley Venables	Clerk to the Corporation

PART ONE

APOLOGIES FOR ABSENCE

122 Apologies for absence were received from Terry Fleetwood (Independent Governor), Jim Turner (Parent Governor) and Philip Porter (Associate Member).

DECLARATIONS OF INTEREST

123 A declaration of interest was received from John Fell as he is married to the Chair of the Corporation.

APPOINTMENT OF VICE-CHAIR

124 The Clerk advised that, following the appointment of a new committee chair, nominations now needed to be sought from members for a vice-chair.

125 **Resolved -** That Terry Fleetwood be appointed as Vice-Chair of the Committee

MINUTES OF PREVIOUS MEETING

126 **Resolved -** That the minutes of the meeting held on 14th March 2018 be approved as a correct record and signed by the Chair.

MATTERS ARISING

127 Governors received a report on the actions identified at the previous meeting and noted that the majority of items were either completed, in progress or featured on the agenda.

128 Under minute 96, the Vice Principal Services reported that the College had now appointed a Data Protection Officer and a working group had been established to oversee the arrangements for the General Data Protection Regulations.

129 The Committee was advised that procedures were in place across both sites, whereby the safeguarding team would be alerted by IT staff to any attempts to access prohibited internet material (minute 103 refers).

CONFIDENTIAL ITEMS

130 It was agreed that the items relating to the re-appointment of the Internal Auditors and the appointment of a new firm of External Auditors should be classified as confidential.

INTERNAL AUDIT REPORTS

Payroll

131 The Internal Auditor presented the Internal Audit report on Payroll, which had been graded as providing a substantial level of assurance. No recommendations had been made as a result of the visit and management was commended on such a positive outcome.

Follow-Up

132 Governors were informed that all of the 11 recommendations made by the Internal Auditor in 2016/2017 had been fully implemented, which provided a 'substantial' level of assurance.

133 The Internal Auditor reported that there was still one further Internal Audit report to finalise which was a Review of the Merged College's Systems and would be presented to the Committee's September 2018 meeting.

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

134 The Vice Principal Services presented a report that enabled governors to track the implementation of previous audit recommendations.

135 It was noted that 9 recommendations had been completed since the March 2018 meeting, with a further 8 recommendations still to be implemented or partially completed.

RISK REGISTER, SUMMARY OF CHANGES TO HIGH RISKS & RISK ASSURANCE FRAMEWORK

136 The Vice Principal Services presented for information a review of the College's risk management arrangements, which would inform the Committee as to whether the Internal Audit Plan provided a sufficient level of assurance to the Corporation.

137 No amendments were proposed to the Risk Management Policy for 2018/2019 and the high risks action plan. It was noted that the risk register now included reference to the General Data Protection Regulations.

138 **Resolved -** That the contents of Risk Management Framework be noted

POST-16 AUDIT CODE OF PRACTICE

139 Governors received for information the recently-published Education & Skills Funding Agency's Post-16 Audit Code of Practice, to which minor technical amendments had been made.

140 From a governance perspective, the most significant change was the recommendation that staff governors should not be members of the Audit Committee. The Clerk reported that the Committee's terms of reference would be amended to reflect this change and submitted for approval by the Corporation.

INTERNAL AUDIT ANNUAL PLAN 2018/2019

141 The Internal Auditor presented the Annual Audit Plan for 2018/2019, which was based on an analysis of the College's risk register and discussions with management.

142 Governors were advised that the Plan would focus on growth in higher education provision, performance management (deferred from 2017/2018), the efficiency of curriculum delivery, IT data security, compliance against the GDPR and fundamental financial controls. Additionally, progress against the recommendations made in 2017/2018 would be assessed.

143 A small number of days had been included as a contingency and the Internal Auditor reported that it would be prudent to include some capacity for a mock ESFA funding audit, as the College had not been selected for this in the past 2 years. This would provide an initial assessment of compliance against the funding regulations to be made by Internal Audit in advance of any ESFA visit.

144 The Plan would be kept under review during the year to ensure that it still met the needs of the College in terms of providing the most appropriate assurance.

Richard Jacklin left the meeting at this point.

145 The Committee questioned the inclusion in the Plan of the second stage merger proposals, which had been discussed by governors at the recent Strategy Day, and would not be proceeding. The Principal/CEO would be meeting with the FE Commissioner shortly to inform him of the decision that had been made by both Southport College and Hugh Baird College.

146 Governors were reminded that the funding received from the Transaction Unit was predicated on the first stage merger, which was now complete and would not be impacted by the determination of any future amalgamations. The College would still be seeking other partnership or collaborative arrangements, but on a less formal basis than merger, particularly as the risks identified in the risk register in this area (such as the ability to achieve a critical mass of learners) would remain relevant.

Richard Jacklin re-joined the meeting.

147 **Resolved -** That the Corporation **be RECOMMENDED** to approve the Internal Audit Annual Plan for 2018/2019

COMMITTEE SELF-EVALUATION

148 It was agreed that the Clerk would circulate a draft of the Committee's Self-Evaluation proforma for approval by governors.

149 **Resolved -** That a draft completed proforma would be circulated to the Committee by the Clerk.

ITEMS TO BE REPORTED TO THE BOARD

150 The Chair summarised the key points that would be reported to the Corporation at its meeting on 4th July 2018:

- Internal Audit reports on Payroll and Follow-up were received
- Risk Management Framework review was considered, with minor amendments noted
- Information received on new Post-16 Audit Code of Practice and a monitoring report on the implementation of previous recommendations
- Terry Fleetwood appointed as Vice-Chair of the Committee

DATE OF NEXT MEETING

To be agreed.