

SOUTHPORT COLLEGE

MINUTES OF AUDIT COMMITTEE MEETING HELD ON 25TH SEPTEMBER 2018

Present:	John Fell	Independent Governor
	Terry Fleetwood	Independent Governor
	Mo Kundi	Independent Governor (Chair)
	Richard Jacklin	Associate Member
In Attendance:	Kath Stott	ICCA (Internal Auditor) - minutes 1 to 25
	Eddie Green	Vice Principal Services
	Lesley Venables	Clerk to the Corporation

PART ONE

APOLOGIES FOR ABSENCE

1 Apologies for absence were received from Jim Turner (Parent Governor).

DECLARATIONS OF INTEREST

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

MINUTES

3 **Resolved -** That, with minor amendments, the minutes of the meeting held on 6th June and the special meeting held on 4th July 2018 be approved as a correct record and signed by the Chair

MATTERS ARISING

4 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.

5 It was agreed that the number of days for future internal audit work should be reviewed at the point in the Committee's cycle of business when the internal audit contract was due to be renewed (minute 155 refers) and this would be included on the forward planning document used to compile meeting agendas. The Committee noted that the number of days within the audit plan was dependent on the level of assurance that the Corporation required from the Internal Audit service.

6 The Clerk reported that there was no longer a requirement for colleges to have an internal audit function and that alternative methods were in place in some organisations to provide a suitable level of assurance. The Committee felt that there was still a need for the College to retain a distinctive internal audit service at this time.

CONFIDENTIAL ITEMS

7 The Committee reviewed the minutes that had been classified as confidential in 2017/2018 and concluded that those relating to the appointment of both the internal and external auditors (including their respective fee levels) should be moved into the non-confidential part of the record of proceedings

8 No items on this agenda were classified as confidential.

INTERNAL AUDIT REPORT – MERGED SYSTEMS

9 The Internal Auditor presented the final report from 2017/2018 on Merged Systems following the amalgamation of Southport College and King George V College. This had graded the College's systems on Finance, Human Resources and Information Technology as providing a substantial level of assurance with one low priority recommendation made.

10 The Vice Principal Services advised that an updated ICT Strategy would be submitted for approval by the Corporation at its November 2018 meeting.

11 Although the merger of systems had been successful overall, there were still a number of IT-related issues to be resolved through the provision of a holistic solution across the organisation. The Strategy for this area would require significant capital investment and other resources. Governors noted that a further review of IT systems had been included in the Internal Audit Plan for 2018/2019 during February 2019.

12 On behalf of the Corporation the Chair thanked the Vice Principal Services and his team for the work undertaken in this area to achieve such an outcome.

INTERNAL AUDIT PLAN FOR 2018/2019

13 Governors were reminded that an initial Internal Audit Plan for 2018/2019 had been recommended for approval by the Committee in June 2018. However, it had subsequently been agreed to include a review of Capital Project Management.

14 The Committee received a summary of changes to the Plan, together with the terms of reference for each of the reviews to be carried out. Terms of reference for the review of Curriculum Efficiency had not been included in the papers for this meeting, as they had not been finalised in time for despatch.

15 Some minor amendments were suggested to the terms of reference on Capital Project Management to include how capital projects were evaluated and that specific reference was made to the Financial Regulations. Both this and the document on Curriculum Efficiency would be circulated to Committee members by the Clerk once received from ICCA.

16 In discussion with management the Internal Auditor had amended the number of days allocated to some of the reviews to take place in 2018/2019, with the overall total remaining at 30 days. As delivery of the plan progressed through the year an assessment would be made as to whether the number of internal audit days could be reduced whilst still providing the same level of assurance to the College and to the Corporation.

Kath Stott left the meeting at this point.

TERMS OF REFERENCE & TIMETABLE OF BUSINESS FOR 2018/2019

26 The Clerk presented for information the Committee's terms of reference (which had been approved by the Corporation in July 2018) and the timetable of business.

COMMITTEE SELF-EVALUATION

27 As agreed at the previous Committee meeting, governors received a draft of the Self-Evaluation proforma for 2017/2018.

28 For consistency with other committees, the section on grading the Audit Committee's performance would be removed from the final document.

29 **Resolved -** That subject to the removal of the section on grading, the Committee's Self-Evaluation for 2017/2018 be approved

ITEMS TO BE REPORTED TO THE CORPORATION

30 The Chair summarised the main points of the meeting, which would be reported to the Corporation at its meeting on 16th October:

- Revised Internal Audit Plan for 2018/2019 was recommended for approval
- Internal Audit Annual Report for 2017/2018 was received for information
- The Committee approved the Letters of Engagement with both ICCA and Wylie & Bissett

DATE OF NEXT MEETING

27th November 2018, 3.00 p.m.