



## Minutes of the Audit and Assurance Committee Meeting

held on 7 June 2016

---

*Present* Andrew Hanson (*Chair*), Mark Johnson (*Vice Chair*), Claire Simmonds

*In attendance* Keith Bate (*Principal*)  
Jacquie Carman (*Director of Finance and Corporate Services*)  
Paul Oxtoby (*RSM*)  
Peter Harrison (*TIAA*)  
Jennifer Sunter (*Clerk to the Corporation*)

### 1 Apologies

Apologies were received on behalf of Peter Mitchell.

### 2 Declarations of Interest

There were none

### 3 Minutes of Meeting held 8 March 2016 and Matters Arising

The minutes of meeting held 8 March 2016 were approved as a correct record.

Under Matters Arising, outstanding action:

#### Health and Safety Assurance Update

Jacquie Carman explained that the delayed British Safety Council Five Star Audit had now been completed and the ensuing report, with recommendations was awaited.

### 4 Internal Audit Reports – TIAA

#### Review of Governance, Risk and Regulatory Framework and Key Financial Controls

Peter Harrison reported substantial assurance on both audits of Governance, Risk and Regulatory Framework and Key Financial Controls. There were three agreed recommendations.

Mark Johnson checked the efficacy of signing of the declarations of interest form.

#### Review of Network Infrastructure Security Arrangements

Peter Harrison reported that the Review of Network Infrastructure Security Arrangements had been undertaken in relation to the Government's Cyber Essentials Scheme.

Reasonable assurance was provided with six agreed recommendations.

Mark Johnson asked if the timescales for implementation of recommendations were achievable. Jacquie Carman affirmed this and explained that the audit had been a good and timely piece of work, with the conclusions corresponding with the College's action plan. It was noted that a second piece of audit work for network infrastructure and security was planned for the following year.

The importance of having a resilient network and recognition of increased security to protect against cyber-crime were emphasised.

**The Audit and Assurance Committee resolved to accept the TIAA internal audit reports on; Review of Governance, Risk and Regulatory Framework and Key Financial Controls, and Review of Network Infrastructure Security Arrangements noting the assurance provided, the audit recommendations and the management responses.**

## 5 Regularity Audit Annual Self-Assessment

Jacquie Carman reported that evidence was provided against all areas in the prescribed self-assessment questionnaire, prior to external audit work being undertaken.

Paul Oxtoby noted that this was a requirement of regularity audit which provided members with additional evidence and assurance, prior to the signing of the Annual Members' Report and Financial Statements at the end of the year.

Claire Simmonds asked if there was anything of significant difference to note from the previous year. Jacquie Carman emphasised the move to FRS 102.

Mark Johnson asked questions about the checks in place to ensure appropriate expenditure. Jacquie Carman outlined the controls in place for budget holders and the procurement procedures.

**The Audit and Assurance Committee considered the self-assessment of compliance with regularity and proprietary requirements and recommended to the Corporation that this be signed by the Chair and the Accounting Officer of the College before being submitted to external audit as part of the regularity audit process for 2015/16.**

## 6 Self-Assessment of Compliance for the Financial Memorandum

Jacquie Carman provided the results of the self-assessment exercise addressing assurance that the College was acting within the terms and conditions of the Financial Memorandum. Under a rated system there were no red ratings and the two amber ratings were being addressed.

**The Audit and Assurance Committee noted the self-assessment and compliance with the Financial Memorandum as part of the overall assurance framework, noting two amber and no red ratings.**

## 7 External Audit

### External Audit Plan – RSM

Paul Oxtoby outlined the audit plan for the year ending 31 July 2016, leading to the issue of opinions on the accounts and on regularity. The key risks highlighted were those of changing to new accounting standards (with transitional arrangements and changes to format and terminology) and impact from Area Based Reviews. Other risks included income being appropriately recognised, particularly regarding adult funding, pension scheme liabilities, management override controls and e-management.

Paul Oxtoby also emphasised the need for the Audit and Assurance Committee to disclose any instances of fraud or suspected fraud.

Claire Simmonds asked about revaluing of assets and it was noted as being more prevalent within the Higher Education sector. However, it was important to keep under review.

**The Audit and Assurance Committee resolved to accept the External Audit Plan for year ending 31 July 2016.**

## 8 Audit and Assurance Plan 2016/2017

In presenting the draft Audit and Assurance Plan 2016/2017 for consideration Jacquie Carman highlighted the key themes arising from the risk workshops conducted with staff. These included significant curriculum change, reliance on digital systems, effective tracking and monitoring of students and increased student support needs. Risks had been mapped against and correlated with the Strategic Plan, leading to the proposed assignments across providers for Audit and Assurance 2016/2017.

Claire Simmonds asked about risk and the management of migration to the new financial system. Jacquie Carman explained the timescale with a proposed review by TIAA on core operating areas, to be followed by a later review regarding procedures and output.

**The Audit and Assurance Committee resolved to adopt the proposed Audit and Assurance Plan for 2016/17, subject to review in the autumn term.**

## 9 Internal Audit Appointment 2016/2017

Members considered and were satisfied with the service provided.

**The Audit and Assurance Committee resolved to recommend to Corporation the re-appointment of TIAA as Internal Audit Service providers for 2016/2017.**

## 10 Audit and Assurance Committee Terms of Reference

The Clerk outlined minor adjustments to the Audit and Assurance Committee Terms of Reference and emphasised the increase in the Committee's annual cycle of business, to four meetings.

**The Audit Committee resolved to recommend to Corporation the revised Audit and Assurance Committee Terms of Reference.**

**11 Any Other Business**

There was none.

**12 Date of Next Meeting**

It was agreed that an additional meeting of the Committee be scheduled for 23 August 2016

The meeting closed at 10.10am

Actions from meetings		
Audit Committee Meeting 17 March 2015		
11a	<p><b>Health and Safety Assurance Update</b></p> <p>It was agreed that an update report would be provided for the Audit Committee in June 2015.</p> <p>Updates:</p> <ul style="list-style-type: none"><li>■ 10 November 2015, it was noted that an update report remains pending.</li><li>■ 8 March 2016, it was noted that this will be addressed following the British Safety Council 5* Audit being conducted in April 2016.</li><li>■ 7 June 2016 and Audit Conducted report awaited.</li></ul>	JCa