

Minutes of the Audit and Assurance Committee Meeting

held on 13 March 2018

Present Mark Johnson (*Chair*), Amanda Allen

In attendance Jacque Carman (*Director of Finance and Corporate Services*)
David Foley (*TIAA Ltd*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies

Apologies were received on behalf of Peter Harrison.

2 Declarations of Interest

There were none.

3 Minutes of the Audit and Assurance Committee Meeting held 16 November 2017 and Matters Arising

The Minutes of the Audit and Assurance Committee Meeting held 16 November 2017 were approved as a correct record, subject to a correction to the attendance list.

Under current actions the Clerk reported that items were addressed.

4 External Auditor

Jacque Carman provided an assessment of external auditor performance indicators for 2016/17 and proposed indicators for 2017/2018.

The four key aspects of service remained relevant and the external auditor had performed well against these. While sector audit requirements had changed, the College retained internal audit provision and some external reliance was placed on this.

A governor asked how long the current provider had been in place. The Chair outlined that the Committee had discussed this and sought reassurance to maintain auditor impartiality. Jacque Carman noted that while the same providers had been in place for a substantial period, both the College and the provider were sensitive to this and had a number of checks in place. The College continued to regularly undertake tender for audit services, with the next review due in 2019. The provider undertook review checks and partner rotation had been offered.

The Audit and Assurance Committee received the report and agreed that there be no changes at present to the External Audit Key Performance Indicators for 2017/2018.

5 Internal Audit Reports

5.1 Marketing

David Foley reported that the assurance review of marketing afforded a positive outcome with a 'Reasonable Assurance' rating.

The report raised four important and one routine recommendation.

Members asked about the timeliness of the recommendations in relation to planned work on a new marketing strategy. Jacquie Carman outlined that the audit had provided a positive structure for the College to take actions forward, both in the short and medium term.

Members noted the response in relation to the College website which was under a tender process. Members discussed the importance of the College mission and ethos being reflected in the website.

5.2 Performance Management – Staff Skills

The assurance review of performance management of staff afforded a 'Reasonable Assurance' rating.

The report raised four important and three routine recommendations.

In relation to reporting, members suggested that the process of recommendations and management response, particularly where recommendations were not accepted, could be refined for greater clarity and understanding.

5.3 Digital – Data Protection

The ICT Review of General Data Protection Regulation Arrangements afforded a 'Reasonable Assurance' rating. David Foley highlighted the overall conclusion that:

'The College had made considerable preparations for the introduction of the General Data Protection Regulation on 25 May 2018'.

The report raised twelve routine and one operational action point.

Members asked for clarification regarding the Director of Finance and Corporate Services being the Data Protection Officer. This had been referred to the College solicitors with reference to potential perceived conflict of interest. It was noted that this was a national issue and that it was referred for consideration. The Committee considered that the assignment of this role remained appropriate.

The Audit and Assurance Committee received the internal audit reports; Marketing, Performance Management – Staff Skills, Digital-Data Protection, noting the assurance provided. The Committee accepted the recommendations as agreed by management and the management responses provided, subject to the revision of wording to the management response under recommendation three of the Performance Management – Staff Skills report.

6 Progress Report on Audit Action Plans

Jacque Carman updated members on progress against outstanding actions under audit reporting. From Provider Financial Assurance most actions were now closed. While there were no areas of concern some actions remained in progress. In particular, the expansion of work experience and work placements was noted.

With regard to the Assurance Review of Student Learning Support Arrangements and a timetable of claims by the Local Authority, Jacque Carman noted that progress had been made.

With regard to ICT Review of the Network and Infrastructure Security Arrangements, it was noted that the document management system also remained in progress.

It was agreed that where original dates had passed, revised completion dates should be included.

The update was received.

Action 6a	It was agreed that where original dates had passed, revised completion dates should be included.
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7 Audit and Assurance Plan 2017/2018

Jacque Carman provided a mid-year update against plan, outlining audit work undertaken by ICCA, TIAA and Dan Grant Associates.

Members noted the progress made.

8 ESFA – Letter from Peter Lauener

Jacque Carman had provided for members a breakdown of key areas highlighted in the autumn 2017 letter from Peter Lauener. This provided assurance with a commentary and any actions in relation to the identified points.

Members noted that no risks were identified.

Action 8a	It was agreed that the report provided titled ‘Department for Education Letter to Principals and Chief Executives’, be maintained and regularly returned to the Audit and Assurance Committee for review.
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9 Risk Management

Jacque Carman reported that the formal Risk Management mid-year update 2017/18 had been undertaken and highlighted for members the key themes, including apprenticeship reform, curriculum review and mandatory provision of English and maths.

Good progress against the risk action plan was noted. A final review would be provided in the summer term.

In response to questioning, Jacquie Carman answered that the report from DisabledGo had been received and placed on their College website.

Members noted the planned College lockdown exercise that would be prepared in a manner that would not cause alarm to students.

Action 9a It was agreed that the Risk Management report could in future be provided in a revised format.

Action 9b It was agreed that the action plan from the DisabledGo report be provided for the Audit and Assurance Committee

The Audit and Assurance Committee accepted the Risk Management mid-year update which would be provided for the Corporation meeting being held on 27 March 2018

10 Anti-Fraud Self-Assessment Checklist

Members received the report looking at key areas of fraud risk and internal controls to mitigate these. The checklist provided was rated under the traffic light system. Most areas were rated as green.

Members discussed the report and asked about assurance from auditors. This resulted in consideration of governor opportunity to talk directly with auditors. The Clerk explained that this was outlined within the Committee's terms of reference, however, it was felt that this should be offered as a more routine opportunity.

The Audit and Assurance Committee received the Anti-Fraud Self-Assessment.

Action 10a It was agreed that private audience with the auditors be provided for within the meeting cycle.

Action 10b Members raised compliance with the Criminal Finances Act with reference to Tax evasion. Jacquie Carman responded that whilst this was addressed across a range of College policy and procedure it would be relevant to further consider this specific area of risk.

11 Any Other Business

There was none.

12 Date of Next Meeting

The next meeting of the Audit and Assurance Committee is as scheduled for Tuesday 12 June 2018 at 6pm

The meeting closed at: 7.25pm

Actions from Meetings		
Audit and Assurance Committee Meeting 13 March 2018		
6	Progress Report on Audit Action Plans	JCa
6a	It was agreed that where original dates had passed, revised completion dates should be included.	June 2018
8	ESFA - Letter from Peter Lauener	JCa
8a	It was agreed that the report provided titled 'Department for Education Letter to Principals and Chief Executives', be maintained and regularly returned to the Audit and Assurance Committee for review.	November 2018
9	Risk Management	JCa
9a	It was agreed that the Risk Management report could in future be provided in a revised format.	June 2018
9b	It was agreed that the action plan from the DisabledGo report be provided for the Audit and Assurance Committee.	June 2018
10	Anti-Fraud Self-Assessment Checklist	JSu
10a	It was agreed that private audience with the auditors be provided for.	June 2018
10b	Members raised compliance with the Criminal Finances Act with reference to Tax evasion. Jackie Carman responded that whilst this was addressed across a range of College policy and procedure it would be relevant to further consider this specific area of risk.	JCa November 2018