



**CONFIRMED MINUTES OF THE AUDIT COMMITTEE
HELD ON 6th SEPTEMBER 2017**

Present: Tony Mann (Chair), Andrew Davies, Lisa De Caux, Joe McArdle, Jayne Winders

In attendance: Sue Higginson, Principal
Michael Norton, Deputy Principal
Steve Cain, Director of Financial Services
Michael Harding (RSM), Internal Auditor
Ian James, Clerk to the Governors
Louise Kelly, Administrator to the Governors

PRE-MEETING WITH AUDITORS

1. There was nothing the Auditor wished to discuss in the absence of managers.

APOLOGIES FOR ABSENCE

2. Apologies were received from Lorraine Gardner and Richard Mawdsley.

APPOINTMENT OF CHAIR

3. **Resolved** that Tony Mann be appointed Chair of the Committee until the first meeting of the Committee in 2018/19.

DECLARATION OF INTEREST

4. Joe McArdle declared an interest in any matters relating to the University of Chester.

MINUTES OF PREVIOUS MEETING

5. **Resolved** that the minutes of the meeting held on 29th June 2017 be approved as a correct record and signed by the Chair.

INTERNAL AUDIT SERVICES PLAN

6. The Internal Auditor provided the Audit Committee with a revised version of the Internal Audit Services Plan that went to the 29th June 2017 Audit Committee (copy attached to signed minutes). The Internal Auditor explained that there was no change to the content of the Plan, but that the dates had been amended as the MIS department would be participating in an extensive audit by the Education Skills Funding Agency (ESFA) in September.

7. The Principal and Internal Auditors had agreed that the following audits would be rescheduled to take place on the dates shown:

- Key Financial Controls – Budgetary Control internal audit week commencing the 30th October 2017
- General Data Protection Regulation (GDPR) internal audit week commencing 27th November 2017

The Budgetary Control audit would begin earlier so as not to impact the delivery of reports.

8. The Internal Auditor also provided the committee with Internal Audit Progress Report (copy attached to signed minutes) with briefings included in the report. The Committee noted its content.

REGULARITY SELF ASSESSMENT

9. The Director of Financial Services provided the Regularity Self-Assessment (copy attached to signed minutes) which was required by the external auditor for the purposes of the Regularity Audit. The Self-Assessment form was prescribed by the ESFA and required annual approval from the Audit Committee for the Principal and Chair to sign the document.

10. **Resolved** that the Regularity Audit Self-Assessment questionnaire be approved

AUDIT AND RISK MANAGEMENT BRIEFING

11. The Committee discussed a proposal that governors who were not members of the Committee should receive a briefing on its role. Governors on the Audit Committee received a separate audit induction from the Clerk and the members agreed that it would be valuable if all governors received audit training to gain an overview of the internal and external audit processes and the scope of responsibility.

12. The Chair agreed that CPD would be beneficial for even longstanding audit members and would offer further clarification and focus.

13. It was suggested that the training should take place at the Governors' Seminar in October and that an offer from the Internal Auditor to provide the input for the briefing be accepted.

COLLEGE MONITORING REPORT

14. The Deputy Principal presented the College Monitoring Report (copy attached to signed minutes). He explained that the overdue actions were associated with staff utilisation and although the actions had been implemented, they would not be closed until it was evident that they had had the intended impact.

15. A governor suggested that the External Audit Tracker should have an intended completion or review date and note the officer responsible. The Principal and Deputy Principal confirmed that it would be amended with the governors' suggestions for the next meeting.

RISK MANAGEMENT UPDATE

16. The Committee received the Risk Management Update (copy attached to signed minutes). The Deputy Principal advised that the subcontractor risk had reduced as the College no longer worked with Tranmere Rovers Football Club. In addition, there had been significant improvements with quality and HR was found to be more effective in addressing capability.

17. The Committee discussed a sub-set of HR on the risk register that addressed the Principal's concerns around attraction and retention of staff. The Chair requested that there should be a note in the Risk Register that HR would be audited in 2018.

18. Furthermore, the Committee conversed about risk dependencies and deliberated if the College should consider separate note on these as a reference to clarify where potential dependencies lie so that full implications of decisions and actions are understood.

19. The Deputy Principal and the Director of Financial Services had met recently with the Merseyside Pension Fund and discussed options for addressing the College's pensions deficit. A detailed report would be provided for the Board of Governors' meeting on the 21st September.

Retirement of Lisa De Caux

20. It was Lisa De Caux's last meeting as the co-opted non-governor member of the Committee. Both the Chair and the Principal thanked Lisa on behalf of the Board and Audit Committee for her valuable contribution over the last four years.

DATE OF NEXT MEETING – Tuesday 28th November 2017