



CONFIRMED MINUTES OF THE AUDIT COMMITTEE HELD ON 5th MARCH 2018

Present: Tony Mann (Chair), Andrew Davies, Lorraine Jones, Tim Kelly, Joe McArdle, Nigel Woodcock

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

PRE-MEETING WITH AUDITORS

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

APOLOGIES FOR ABSENCE

48. There were no apologies.

DECLARATION OF INTEREST

49. There were no declarations of interest.

MINUTES OF PREVIOUS MEETING

50. **Resolved** that the minutes of the meeting held on 28th November 2017 be approved as a correct record and signed by the Chair subject to "£5k" being replaced with "£8k" in minute 42

Cyber Security and Information Risk Guidance (ref: minute 41)

51. The Committee reiterated their request for a report in response to this guidance.

INTERNAL AUDIT VISIT 2 2017/18

Progress Report

51. The Internal Auditor provided the Committee with the progress report (copy attached to signed minutes). Since the last Audit Committee, the Internal Auditors had continued to liaise with the College on the planning and scheduling of audits and had completed 50% of the plan so far. The Internal Auditor commented that he had received good co-operation from the College.

52. The Internal Auditor advised that he had been working with the Assistant Principal Finance in preparation for the review of subcontracting which was required by the ESFA and was in addition to the internal audit plan. Guidance from the ESFA had yet to be published following which a report would be submitted to the Committee.

General Data Protection Regulation (GDPR)

53. This advisory audit had been undertaken in order to assist the College in its preparations for the implementation of the GDPR in May 2018 (copy of report attached to signed minutes). Eleven management actions had been identified, all of which were scheduled to be completed by 16th April 2018.

54. Governors asked the Internal Auditor about the College's preparedness for GDPR and were advised that staff were aware of what was required and should be ready for the introduction of the Regulation. At this stage, the review undertaken had been overarching and a more in-depth review would be planned to take place next year.

Curriculum Planning

55. The Curriculum Planning report (copy attached to signed minutes) resulted in a 'green' opinion (substantial assurance). One medium priority recommendation had been made with regard to ensuring that the College's curriculum planning process and relevant procedures were documented. The action had since been completed.

RISK MANAGEMENT UPDATE

56. The Deputy Principal presented the Risk Management Update (copy attached to the signed minutes). There had been two updates to the register regarding employment tribunals and the unsuccessful non-levy apprenticeship contract bid.

57. There was discussion with regard to adding a 'target risk' column to the register although the Audit Committee felt that some risks were outside the College's control for example, the government not assigning the non-levy apprenticeship contract to the College, despite being one of the largest providers in Merseyside. The Deputy Principal would give this further consideration.

58. With regards to risk reference number 3 'Planning and Curriculum Offer', the Committee felt that a red rating was perhaps overcautious given the outcome of the audit referred to above. It was suggested that item no. 14 on the Register "Data Security" be amended to "Data and Cyber Security".

COLLEGE MONITORING REPORT

59. The Deputy Principal presented that College Monitoring Report (copy attached to signed minutes). The report showed that there was one overdue action regarding Employer Services introducing a process/procedure for commercial income. The Assistant Principal Finance confirmed that the action would be completed by 9th March 2018.

APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS

60. The Committee undertook the annual review of the performance of the Internal and External Auditors with a view to continuing their appointment for the following year. An appraisal of the work of the external auditor was submitted (copy attached to signed

minutes) although not for the internal auditors who had recently been successful in the tendering process.

61. The Assistant Principal Finance rated the external auditors highly and the Principal concurred that the College had a good working relationship with Wylie & Bisset. It was suggested that, because the external auditors were based in Glasgow, perhaps video conferencing would be appropriate to save time and travel costs. The Clerk commented that the external auditors usually only attended the June meeting to present the audit plan and the November meeting to present their report on the final accounts. He felt that the auditors could attend the June meeting remotely but should attend in person in November. The Senior Leadership Team agreed to discuss further with the External Auditors.

62. **Resolved** that the Board be **RECOMMENDED** to reappoint the internal and external auditors for a further year

DATE OF NEXT MEETING – Thursday 14th June 2018