

OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 18 December 2018 at 4.30pm

Present:	Des Herlihy Anthony France Shaïd Mushtağ	Governor (Chair) Governor Governor
Officers:	Janet Frost Allan Tyrer Debra Woodruff Rebecca Johnson Patrick Jenner	Clerk to the Corporation Director of Finance Deputy Principal Assistant Director of Finance Grant Thornton
Apologies:	Patrick Clarke	ICCA

1/18 Introduction

The Clerk reported that due to the scheduled meeting of the Audit Committee on 11th December 2018 not being quorate the Chair had agreed to reconvene the meeting on the 18th December 2018. The Clerk reported that the meeting would have a condensed agenda and would consider the following reports; Financial Statements for 2017/18, Draft Audit Findings and Document and Audit Management Letter and the Audit Committee Annual Report 2017/18 to the Corporation.

The remaining items scheduled for discussion would be taken to an additional meeting of the Audit Committee on 29 January 2019.

The governors and External Auditor supported this approach and **RESOLVED** to:-

- (i) continue the meeting with the condensed agenda as reported
- (ii) and agreed that the reconvened meeting of the Audit Committee take place on 29 January 2019.

2/18 Apologies

Apologies for absence had been received and were accepted from Patrick Clarke, ICCA.

3/18 Declaration of Conflicts of Interest

None declared.

4/18 Permission for Officers of the Organisation to be Present

It was **RESOLVED** that officers present should remain in the meeting.

5/18 Notification of Items of Any Other Business

There were no Items of AOB reported.

6/18 Draft Financial Statements 2017/18

A report detailing the draft Financial Statements for year ended 31 July 2018 had been prepared by the Finance Director and previously circulated to members for consideration.

The Finance Director guided members through the statements and provided a detailed review of key areas. In summary:-

- The financial results for 2017/18 will produce a 'satisfactory' financial health grade
- The operating surplus/deficit had improved to 2.5%
- The EBITDA is satisfactory
- The current cash days in hand/liquidity had improved to 10 days (compared to 0 in 2016/17)
- The borrowing as a % to income had improved to 40.6% (compared to 43.8% in 2016/17)
- In discussion a governor asked for clarity on the pension adjustment figures and the Finance Director explained actuarial loss in respect of pension scheme. Q
- Members considered the financial position and particularly focused on the reducing overdraft position going forward. The Finance Director commented that a priority for the Corporation in 2019 would be to review the priorities of the college and consider if, when and where investment in areas of the college will be required to support the implementation of the Strategic Plan
- A member asked how the college will move to 'outstanding' and was advised that it was essential to continue the same financial methodology and ensure there are controls on capital expenditure to minimise the risk of over commitment whilst at the same time moving to a period of growth as there are some areas in the college where investment is needed. C

The Finance Director concluded that the work of the Finance Team had been exemplar and thanked the staff.

The Chair added his thanks to the Finance Team for their diligent work throughout the year and acknowledged the improving financial position of the college.

It was **RESOLVED** that it be a recommendation to the Corporation that the Financial Statements for the year ended 31 July 2018 be approved once the final document is received.

7/18 Draft Audit Findings Document and Audit Management Letter

A report detailing the Audit Findings had been prepared by the External Auditor Grant Thornton and had been previously circulated to members for consideration.

The report was presented by Patrick Jenner for Grant Thornton. Patrick advised members that the purpose of the report was to highlight the key issues affecting the results of the College and the preparation of the College's financial statements for the year ended 31 July 2018 and also used to report to management in order to meet the mandatory requirements of International Standard on Auditing. It was reported that the final accounts were due to be signed off imminently and the Audit Findings document would then be finalised.

In discussion the following areas were highlighted:-

- (i) It was reported that it was anticipated that the Audit Report would be unmodified
- (ii) There had been no significant findings or adjustments made to the accounts
- (iii) The significant risks were reported and members noted the Auditor commentary and conclusion for each risk identified

- (iv) Members noted that there was one management response within the Internal Controls section and acknowledged that the auditor had accepted the action being taken to improve the process.

The Chair thanked both the auditors and the financial team for its work.

It was **RESOLVED** that :-

- (i) the Draft Audit Findings Report and Management Letter be received as detailed and the content of the report be noted by members,
- (ii) that the final report be presented to the Full Corporation at its December meeting.

8/18 Audit Committee Annual Report 2017/18

The Clerk reported that in accordance with the Audit Code of Practice the Audit Committee was required to prepare a report on its work undertaken during the previous year for presentation to the Corporation.

The report had been circulated to members and included as required details of the Terms of Reference and Membership of the Committee; dates of meetings and schedule of attendance of members; information relating to the Internal Audit service and its work and a comment relating to the Regularity Auditors.

Minor amendments were requested to the document and these were recorded.

Members confirmed that the report reflected the work the Committee had carried out in 2017/18 and it had done so in accordance with its terms of reference.

It was **RESOLVED** that the Annual Report of the Audit Committee for 2017/18 be recommended to the Corporation for approval.

9/18 Items of Any Other Business

There were no Items of AOB.

10/18 Dates of meeting for 2018/19

29 January 2019

25 April 2019

18 June 2019

The meeting finished at 5.00pm

Minutes Approved: **Date:**

Chair

Rolling Action List taken from the Audit Committee 14 June 2018 to be considered at the 29 January 2019 Audit Committee meeting

Meeting Date & Item No.	Rolling Action List (Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)	Actionee	Reported as Completed at meeting of
8 03 18 Min 47/17	Risk Management Register A review of GDPR by Internal Audit should take place to provide assurance to the Board that the organisation is compliant.	Deputy Principal	14 06 18 Min 60/17.1
14 06 18 Min 69/17	Risk Management Register The Departmental Risk Register Reports will be presented to the September 2018 Audit meeting	Finance Director	
14 06 18 Min 62/17	External Audit Plan The Corporation be recommended to approve the external audit plan and fees.	Finance Director	
14 06 18 Min 64/17	<u>Programme of Presentations of Individual Risks 2017/18</u> The Audit Committee consider the programme of presentations of individual risks for 2018/19 at its September 2018 meeting	Finance Director	
14 06 18 Min 70/17	<u>Internal Audit Strategy 2017/18 – 2020/21 inc. Internal Audit Plan 2018/19</u> The Audit Committee approve and recommend to the Corporation the Internal Audit Strategy 2017/18 – 2020/21 and Audit Plan 2018/19.	Finance Director	
14 06 18 Min	<u>Financial Regulations</u> Financial Regulations to be presented to the Corporation at its December 2018 meeting for approval	Finance Director	